

Reagan Emphasizes Policy To Contain Nuclear Arms

WASHINGTON — President Reagan on Thursday disclosed his administration's policy for preventing the spread of nuclear weapons, saying the goal has become more important because of the ominous events in the Middle East.

The issue has grown in importance recently because of Israel's attack on an Iraqi nuclear reactor and because Pakistan and several other nations are believed to be working on nuclear weapons programs.

Secretary of State Alexander M. Haig Jr. said Tuesday that the United States will pledge the United States to be a "more forthcoming partner to those who share responsible nonproliferation practices."

Soviet Nuclear Force Reportedly Built Up

By Dusko Doder Washington Post Service MOSCOW — Marshal Nikolai Ogarkov, the Soviet armed forces chief, said Thursday that the Soviet Union has begun a buildup of its strategic nuclear forces to counter U.S. attempts to gain military superiority.

decided by Tass for making an almost identical argument in his speech before the Foreign Policy Association in New York earlier this week.

Britain Sets Up 3 Riot Inquiries After More Trouble in Brixton

By Steven Rattner New York Times Service LONDON — The British government Thursday announced three official inquiries stemming from the rash of urban riots in the country. Earlier there was new trouble in Brixton.

The actions, announced during a tumultuous debate in the House of Commons, fell far short of opposition party demands for new programs aimed at inner-city problems as Prime Minister Margaret Thatcher signaled again a determination to avoid changing her economic program.



Lord Scarman, right, who recently completed the first phase of an inquiry into racial violence in Brixton last April, made an unannounced visit to the Ralston Road area. He was responding to a telegram asking him to review property damage that residents said had been caused by police.

Britain Sets Up 3 Riot Inquiries After More Trouble in Brixton

But as Brixton seethed over a police raid on Wednesday, Lord Scarman, who is leading an official investigation into disturbances that can drive countries toward nuclear explosives.

That the president emphasized that his administration will cooperate with other nations "in the peaceful uses of nuclear energy, including civil nuclear programs to meet their energy security needs; under a regime of adequate safeguards and controls."

As he faced a packed Commons chamber, William Whitelaw, the home secretary, said that inquiries would be held into the police raid in Brixton and into injuries caused by the use of tear gas during rioting in Liverpool's Toxteth district.

Poland's Party Set for Vote, Expels Giersek

By John Darnott New York Times Service WARSAW — The extraordinary congress of the Communist Party agreed Thursday upon a list of 275 candidates for 200 seats on the Central Committee, but the main question — who will be party leader — remained unsettled.

The Statist Palace of Culture are unheard of for a party congress, which is customarily a carefully orchestrated ritual of planned speeches and predetermined personnel changes. It underlined just how much the workers' revolt that began with strikes a year ago has changed Poland.

At a closed session lasting nearly five hours Thursday morning, candidates for the Central Committee were open to questions from the entire congress — another unprecedented procedure. Mr. Kania was not asked any questions.

But he acquitted himself well, sources said, by intervening in to disclose the names of party members investigated for corruption by the Supreme Control Chamber, a watchdog organization. Mr. Kania said he saw "no reason" why this should not be done.

Other top figures came in for some heavy criticism in the closed session. Tadeusz Grabski, a hard-liner who has made known his intention to run against Mr. Kania, was censured because a commission he headed to investigate wrongdoing came up with a report that many deemed inadequate.

It was the Grabski report that led the congress in a closed session Wednesday night to expel the members of the Giersek leadership. In addition to Mr. Giersek, they were Edward Babuch, Jan Szydlik, Zdzislaw Zandarowski and Jerzy Lukaszewicz, national party secretaries under Mr. Giersek; Zdzislaw Grudzien, Katowice party secretary, and Tadeusz Pyka, a deputy premier.

Leaders Criticized Henryk Jablonski, the president, was called vacillating because he was quoted in the Polish press as saying he did not want to run again for office. Mieczyslaw Jagielski, a ranking Politburo member, was asked to account for his role in economic policies that landed Poland in debt.

Mieczyslaw Rakowski, a leading liberal who delivered a passionate speech Wednesday night in favor of democratic reforms, was taken to task by a delegate from Szczecin for "electioneering."

The atmosphere of intensive lobbying, political maneuvering and quick huddled conferences in the recent troubles justifies what has occurred," said Mr. Whitelaw, to approving cheers. He also noted that "we must be prepared to act in our society, particularly as concerns young people."

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Major Flood Is Reported By Chinese

By James P. Sterba New York Times Service PEKING — A flood disaster of major proportions was under way in the Yangtze River Valley Thursday night, with water from six days of torrential rains surging from Sichuan province through heavily populated regions toward Shanghai at crest levels higher than have been recorded since the turn of the century.

INSIDE AT&T Expansion

A Senate committee approved a telecommunications deregulation bill that would allow AT&T to enter fields such as computers and data processing, Page 11.

TOMORROW Hulthen's Plans

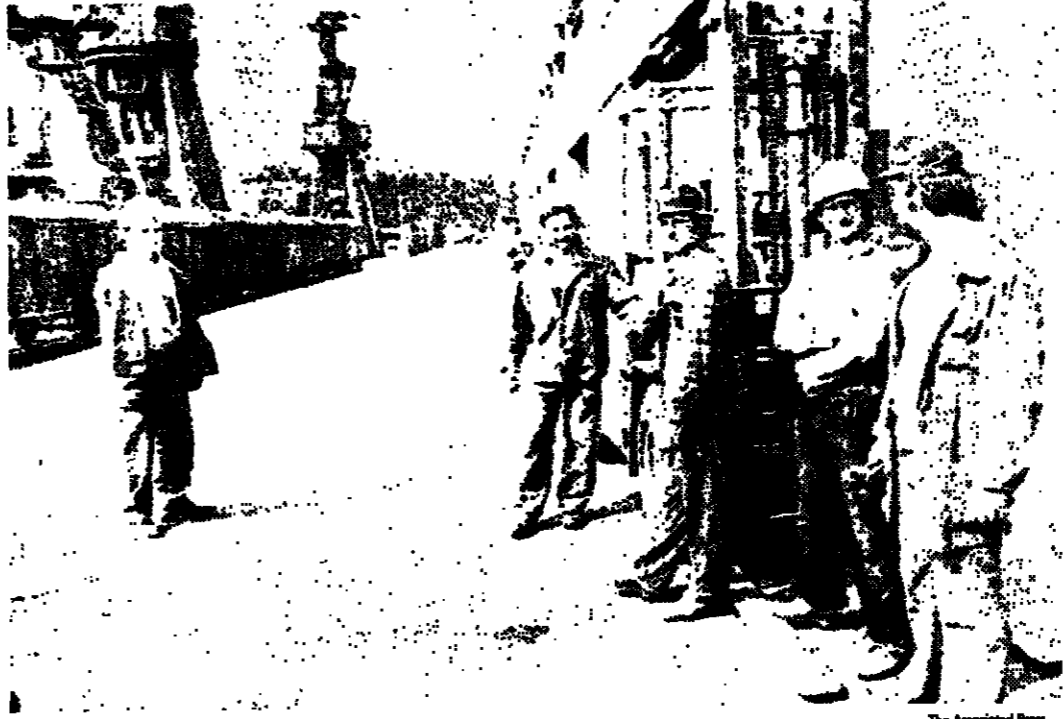
Pompidou museum director Pontus Hulthen, who has been called "a playful porpoise among the stuffed whales of the French cultural establishment," is leaving Paris to start a new museum of contemporary art in Los Angeles. Hulthen's observations on the relationship of the French and modern art, his experiences at Beaubourg and his plans for Los Angeles, Saturday in Weekend.

Saudis Will Finance Iraq's New Reactor

From Agency Dispatches JIDDA — Saudi Arabia said Thursday that it would pay the full cost of rebuilding Iraq's nuclear reactor, destroyed last month by Israel's bombing strike.

Israelis Launch Major Offensive On PLO Forces

TEL AVIV — Israeli planes struck at river bridges and Palestinian headquarters in southern Lebanon Thursday in what was described as a major attempt to undermine the military structure of the Palestine Liberation Organization.



Dockworkers in the Polish port of Gdansk await the result of talks to avert a warning strike.

Vietnam Amenable to 'Talks' on Cambodia

By Bernard D. Nossiter New York Times Service UNITED NATIONS, N.Y. — Vietnam, which has boycotted the conference here on Cambodia, has left the door open for talks with the committee of nations that the conference plans to establish.

lead to some practical result by refusing to say that the Hanoi government would not talk to the committee members. However, he suggested that the group must somehow divorce itself from the conference if it wanted to conduct conversations with Vietnam.

reference, the members of the Association of Southeast Asian Nations, want to invite a representative from the Phnom Penh government as a gesture demonstrating their willingness to negotiate with all Cambodian factions. But Peking, which supplies arms to Mr. Pol Pot's insurgent forces, is strongly opposed to that.

The last issue revolves around a Southeast Asian proposal for creation of a neutral "interim administration" to preserve law and order while elections are held. The Chinese oppose this on the ground that it would prevent their insurgent allies from moving into Phnom Penh if and when Hanoi pulls its troops out. Again in the name of unanimity, the final declaration is likely to delete references to an "interim administration."

ASEAN shows its staying power at the UN conference on Cambodia, Page 5.

pointedly declined three times Wednesday to rule out conversations with the conference committee. He was replying to questions at a news conference held outside the conference hall.

In the conference hall, Lord Carrington, the British foreign secretary, and other speakers repeatedly urged that Cambodians be allowed to choose their own government and establish a state free of alignment with any big power.

Yugoslavia is a key country in the conference because of its credentials as one of the founders of the group of nations professing nonalignment. It is likely to be chosen for the conference committee charged with "maintaining contact with the parties to the conflict," in the words of the Southeast Asian draft declaration.

Weinberger Expected to Urge Airborne MX

By Lou Cannon and Michael Getler
Washington Post Service

WASHINGTON — Reports have surfaced that Secretary of Defense Caspar W. Weinberger will recommend a totally unexpected solution to the problem of where to base the MX intercontinental ballistic missile: putting them aboard converted jet transports for aerial launching.

The reports, from government and industrial sources, were denied immediately by Mr. Weinberger, who said he has made no decision on the question of where and how the MX will be deployed.

"There are a great many rumors floating around, and this is one of six," Mr. Weinberger said. "I haven't decided anything or made any recommendation yet."

Nevertheless, sources on Capitol Hill, from within the administration and among defense contrac-

tors, provided similar accounts of a plan they said Mr. Weinberger will recommend soon. The plan involves placing 100 MX missiles aboard a new fleet of 100 giant C-5A Air Force jet transports.

Interim Solution

This essentially would do away with basing 200 MX missiles on land along with 4,600 protective shelters spread throughout Utah and Nevada. That solution was adopted by the Carter administration, but has come under fire from some of President Reagan's otherwise staunchest supporters in the West.

The president has indicated that he has serious reservations about the land-basing of the MX missile, even though the Air Force favors it.

Under the new plan a single MX missile, enclosed in what is called a launch capsule, would be put on each modified C-5A. These planes

would be kept on alert on runways at a string of bases, some of them new, in the central part of the United States. Upon warning of attack, the planes would be launched within minutes and therefore theoretically would be invulnerable to a first strike.

The initial force of 100 planes and missiles is described by sources as an interim solution that would lead eventually to deployment of a larger airborne force in a new airplane nicknamed "Big Bird," which would be especially designed for the 250,000-pound MX missile and capsule combination.

Air Force Objection

The Air Force is known to object strongly to this plan, which had been studied and rejected twice before by Air Force leaders and the Carter administration. The Air Force feels the airborne launch system would be ultimately too costly and that it would have less ability to survive than the full MX ground-based plan. Sources said Wednesday that a new task force has been formed within the Air Force to oppose the prospect of such a recommendation going to the president, and will make its case to Mr. Weinberger next week.

There were suggestions from some sources Wednesday that the Air Force was behind the reports that were circulated, in a possible effort to overturn the plan.

Throughout the long debate about what to do about the MX, officials have emphasized repeatedly that there is no noncontroversial answer to the basing problem. Each proposal has a wide range of supporters and opponents. In the case of the pending land-basing proposal, opposition had been expressed by Mr. Reagan's former national campaign chairman, Sen. Paul Laxalt, a Nevada Republican, and by the Mormon Church.

The airborne-basing plan has re-emerged because it seems to have important economic, political and military advantages, at least in the short run. The administration is known to be seeking defense economies approaching \$10 billion a year to carry out Mr. Reagan's promise to balance the budget by 1984.

Spy Agencies, Weinberger Feud

By Richard Halloran
New York Times Service

WASHINGTON — With the Soviet Union apparently deploying its new medium-range SS-20 nuclear missiles at a rapid pace, Secretary of Defense Caspar W. Weinberger has become involved in a dispute with intelligence agencies over publishing evidence of the deployment, according to administration officials.

Secretary of State Alexander M. Haig Jr. asserted in a speech in New York on Tuesday that the Soviet Union already had 750 nuclear warheads deployed on the SS-20s, which was considerably more than previously known, and said that "the pace of the Soviet build-up is increasing."

The administration officials here said that the Soviet Union had deployed 235 to 250 missile launchers, which supported Mr. Haig's statement since each missile can carry three warheads. Two-thirds of the launchers are aimed at Western Europe and a third at China or other targets in Asia, the officials said. Japanese officials have noted, according to press reports from Tokyo, that SS-20s could reach any target in Japan.

Mr. Haig and administration officials may have understated the deployment. Sources with access to intelligence reports said that each launcher might be armed with three or four missiles. They said, however, that the intelligence on that was uncertain.

Publication Resisted

In any event, Mr. Weinberger has been anxious, the officials said, to make public photographs and maps of the SS-20 deployments in an effort to generate support here and especially in Western Europe for a U.S. plan to counter them.

That plan calls for deploying Pershing-2 ballistic missiles and

Tomahawk Cruise missiles in Western Europe, beginning in 1983. Britain, West Germany and Italy have agreed to have them on their soil, despite political opposition, but other nations have refused.

The officials said, however, that the Defense Intelligence Agency and the CIA had adamantly refused to permit any publication of the evidence. The officials said that the intelligence agencies feared disclosure of their methods and the quality of their information.

Prodding by Europe

The idea of publicizing the evidence arose last April, after Mr. Weinberger had sponsored what was said to have been a vivid and successful briefing on the Soviet threat to European defense ministers in Bonn. Mr. Weinberger repeated the briefing a month later in Brussels.

In both cases, the European ministers emerged from the briefing to acclaim on the precision and breadth of the briefing and to let it be known that they had asked Mr. Weinberger to make public as much information as possible so that they could persuade their own citizens of the extent of the threat.

Mr. Weinberger said at the time that he agreed with his European colleagues and would see what could be done. But he ran into immediate resistance, the officials said, with his own intelligence people and with the CIA, which is in charge of space satellite reconnaissance.

After several months of talks, the officials said, Mr. Weinberger recently wrote a memorandum to the Defense Intelligence Agency, which is nominally under his control, asserting that they must prove to him why the evidence could not be publicized.

The officials said that the intelligence people were adamant in refusing because any revelation could give the Soviet Union information that would enable them to hide the missiles from U.S. satellites or other sensors.

It was the age-old conflict, a senior official said, between the desire of the policy-maker to use information to persuade skeptics to accept his course of action and the desire of intelligence officials to protect their ability to collect information.

Mr. Weinberger, the officials said, was groping for a middle road in which maps might be generalized and only the most obvious pictures used. But they said the intelligence agencies had dug in their heels even against that.

Middle Road Sought

The SS-20 missile comes in three versions, according to a study done by the General Dynamics Corp., a leading military contractor and builder of Cruise missiles. One can carry a 1.5-megaton nuclear warhead for 3,500 miles while a second can carry three smaller warheads aimed at separate targets. A third can carry a 50-kiloton warhead 4,600 miles.

The SS-20 is a two-stage, solid-fuel ballistic missile that can be launched from a tracked transporter.

At the beginning of 1980, the Soviet Union had deployed 100 missile launchers. That number grew to 160 by autumn of that year, according to intelligence sources. In January, 1981, Harold Brown, in his final report to Congress as secretary of defense, said the number had grown to 180. Mr. Weinberger reported in April that 220 launchers had been deployed, with the number having moved up to 235 to 250.

Need for New Bases

The airborne plan would be less costly in the next few years, many specialists say, however, that it would be ultimately more expensive than any of the alternatives.

Initial estimates are that it would cost \$15 billion just for new bases and other facilities, not counting the cost of the planes or the missiles. New bases would be needed, specialists said, because many existing bomber bases are near the coast, and the idea would be to keep the new planes as far away as possible from missile-carrying submarines.

The future Big Bird program envisions keeping many planes in the air at all times, adding further to the operating costs of the system.

A political advantage of the airborne plan is that it would avoid the environmental controversy that is certain to continue surrounding any proposal for a land-based MX system. On the other hand, the building of many new bases could lead to similar political opposition.

Militarily, the airborne plan offers the possibility that more U.S. weapons would be able to escape a first strike. Furthermore, the airborne missiles clearly would not be a first-strike weapon, and thus would not threaten an enemy to the same degree as land-based missiles.

On the other hand, military specialists also say they believe that no matter where the planes are based, a barrage of nuclear weapons exploding over the central United States would keep them from taking off.



HESSE MEDALLION — Gold and silver medals bearing the likeness of Rudolf Hess, the convicted Nazi war criminal, are being sold by a Munich publishing house. The back of the medal, pictured here, shows Hess and the Spandau prison in West Berlin and carries the inscription "40 Years Imprisonment." The front of the medal shows Hess' face. Hess, 87, has been in captivity since parachuting into Scotland on an ill-fated "peace mission" in 1941. Saturday will be the 34th anniversary of his incarceration at Spandau.

French Policy Aims To Counter Qadhafi

By Joseph Fitchett
International Herald Tribune

PARIS — French officials, explaining the Socialist government's announcement of resumed arms deliveries to Libya, say the decision is the initial public step in a new strategy for limiting Col. Moammar Qadhafi's attempts to intimidate French-supported African states.

At an External Relations Ministry briefing Wednesday, a spokesman said France would not sign new arms deals with Libya as long as Libyan troops remained in Chad, but would honor existing weapons and oil-exploration contracts embargoed by the previous French government.

The weapons deal includes 32 Mirage F-1 fighter planes, seven Combattant II missile boats of the sort previously sold to Israel, and large quantities of ammunition and spare parts for French arms already purchased by Libya. Training will continue to be provided by hundreds of French experts under contract to Dassault-Breguet, the aircraft manufacturer scheduled for nationalization.

Some Paris newspapers described the Socialist attitude as a revival of pragmatic French efforts to sell arms to gain access to oil, but French officials defended the policy as a bid to set clear limits to French cooperation with Libya and develop a realistic plan for containing Libyan influence in Africa.

with Libya and the French desire to reduce political cooperation with Col. Qadhafi, officials pointed out that French-made arms made up only a fraction of Libya's mainly Soviet-supplied arsenal. They added that the United States, not France, remained Libya's main oil customer.

In seeking a new policy toward Libya, French officials said, the Socialist government hopes to restore France's credibility in the eyes of pro-French African rulers, many of whom were shaken when former President Valéry Giscard d'Estaing failed to oppose Libya's military intervention in Chad last December.

Key officials, both in the External Relations Ministry and in the Ministry of Cooperation, which handles African affairs, said Thursday that France was unable to react effectively at the time because it could not rally a solid African front. They said key African leaders, influenced by Libyan propaganda, had believed that Mr. Giscard d'Estaing was pursuing an equivocal policy toward Col. Qadhafi, denouncing him in public while quietly pursuing business as usual.

As an example of how Libya purveyed this impression, the officials cited the leak in Tripoli, on the day Libyan troops entered Chad, of a new oil-exploration contract with France's state-owned Elf-Aquitaine.

This impression of French ambiguity, the officials said, persisted even after Mr. Giscard d'Estaing embargoed arms deliveries to Libya and the oil-exploration contract.

Efforts by the previous French government to incite resistance in Chad to the Libyan presence apparently were equally futile in influencing opinion among African leaders, who recently voted for Tripoli as the site of the next summit meeting of the Organization for African Unity. The new French government, officials said, is convinced that the threat of Mr. Habré's operations from Sudanese sanctuaries has increased Mr. Goukouni's reliance on Libya.

WORLD NEWS BRIEFS

IRA Assails Red Cross Move on Hunger Strikes
Reuters

BELFAST — Irish Republicans Thursday criticized an attempt by the Red Cross to try to end the prison hunger strikes in Northern Ireland, calling it a cosmetic exercise by the British government.

"We are not at all optimistic about this new International Red Cross initiative," said a spokesman of Sinn Fein, the political arm of the Provisional Irish Republican Army.

A three-man team from the Geneva-based International Committee of the Red Cross visited Belfast's Maze prison Thursday to begin studying conditions there. The British government on Wednesday accepted the Red Cross offer of assistance.

U.S. Urged to Pay War Internees \$25,000 Each
The Associated Press

WASHINGTON — A representative of the 120,000 Japanese-Americans interned during World War II urged Thursday that the federal government pay each survivor of the U.S. relocation camps at least \$25,000 to compensate for property losses and "false imprisonment."

Bert Nakano, speaking for the National Coalition for Redress and Reparation, told the Commission on Wartime Relocation and Internment of Civilians that more than one-third of those incarcerated are now between 55 and 65 years old. Any compensation awarded by the commission must be approved by Congress.

Another witness, Sen. Henry M. Jackson, Democrat of Washington, said that while the mass internment "was a tragic failure of American democracy" he opposes any sort of compensation for the victims and their descendants. "I question seriously whether you can provide for monetary settlement for a problem that goes beyond that kind of solution," he said.

Soviet Lead in Warship Production Reported
United Press International

LONDON — Western navies are barely replacing and modernizing their warships while the Soviet Union is carrying out a dramatic naval expansion program, the authoritative book *Japan's Fighting Ships* said Thursday.

The only major warship ordered for Britain's Royal Navy since May, 1979, was one nuclear submarine, while the Russians in 1980 alone completed 40 new vessels. Eighteen ships and submarines were delivered to the U.S. Navy last year.

In a foreword to the 1981-82 edition, *Japan's Fighting Ships*, a former deputy chief of British naval intelligence, said there has been "a dramatic expansion in the numbers of large, and highly capable Soviet warships, faced by the NATO navies which are barely keeping abreast of the need for replacement and modernization."

Joergensen Favors Talks on Nuclear-Free Zone
Reuters

BONN — Danish Premier Anker Joergensen said Thursday that talks with the Soviet Union on setting up an extended nuclear-free zone in Northern Europe could begin if Moscow fleshed out its ideas on the subject.

Speaking after a two-day meeting of the Socialist International in Bonn, he said that Denmark had asked Moscow to express in more concrete terms recent statements by Soviet President Leonid I. Brezhnev.

Mr. Joergensen said that West German Chancellor Helmut Schmidt was skeptical about the possibility of an expansion of the de facto zone — which covers Denmark, Sweden, Norway, Finland and Iceland — and had stressed the need for balance if it were formalized.

14 Zia Opponents Seized in Raid on Meeting
United Press International

LAHORE, Pakistan — Police arrested 14 opponents of President Mohammed Zia ul-Haq in a raid on an illegal political meeting, authorities said Thursday.

They said the detainees were members of the central committee of the Movement for the Restoration of Democracy, which has called for Gen. Zia's overthrow. The group was formed in February in defiance of a martial-law ban on political activities and includes supporters of the Pakistan People's Party of the late Prime Minister Zulfikar Ali Bhutto.

The arrests were made Wednesday night at the Lahore home of Sheikh Mohammed Rashid, an agriculture minister under Mr. Bhutto, but Sheikh Rashid escaped. At the meeting, the group approved a resolution demanding the release of political prisoners, including Mr. Bhutto's widow, Nusrat, and his daughter, Benazir.

Party Assessors Were Told To Uphold Mao's Thought

By James P. Sterba
New York Times Service

PEKING — A government-controlled magazine has disclosed that the authors of its 32-year assessment of the Communist Party's assessment of its 32 years of ruling China were ordered to uphold Mao's thought regardless of how much the late chairman's actions were criticized.

The assessment — issued in a party resolution on July 1, the 60th anniversary of the party's founding — went through six major revisions during a 15-month period, the magazine reported Wednesday. It was the first time that China's controlled press has reported any behind-the-scenes activity leading up to a major party decision or pronouncement.

No Backroom Battles

"Members of the party's top leadership took up the matter personally by defining the contents and structure of the document, attending briefings, making concrete suggestions and revising the rough draft," the agency reported.

The magazine reported none of the backroom battles that other Chinese sources said took place other than to say that various and diverse opinions were sought.

The article, said to have been written by the editorial board of the magazine, said: "The reason why a review of the... years before the founding of the People's Republic is included in the resolution is to convince people that Mao Tse-tung's contributions are primary and his faults secondary."

The clear implication is that the opposite conclusion would have resulted if Mao's record since 1949 was assessed alone.

Calling the drafting procedure a "thoroughly democratic way of working," the article said that after seven months of drafting by top leaders, last October the party convened a 20-day meeting of 4,000 senior party officials from around the country to discuss and revise the first draft. It did not discuss what changes were made.

Then, it reported, about 50 Politburo, secretariat and other senior party officials pondered suggested revisions before calling an enlarged Politburo session in May to approve more changes. That session lasted 12 days.

Then, from June 22 to 25, comments from nonparty organizations were solicited and, in preparatory meetings for the party's sixth plenum, another 1,000 leading members of the party, government and army were asked to give opinions, the article said.

It reported that Marshal Ye Jianying first broached the idea of such an assessment in his speech in 1979 celebrating the 30th anniversary of Communist rule. Marshal Ye, ironically, is opposed to many of the "de-Maoization" policies of Deputy Chairman Deng Xiaoping, whose lieutenants used the assessment to debunk Maoism and justify their rule.

The article confirms that major responsibility for drafting the assessment was in the hands of Hu Yaobang, then the party's secretary-general and now the party chairman. It does not say how much of a role was held by the former chairman, Hua Guofeng, but it implies that he was on the defensive throughout.

Britain Sets Up Inquiries After Trouble in Brixton

(Continued from Page 1)

than an upturn in the economy," said Mr. Hattersley, making clear the focus of the Labor Party response.

In his remarks opening the scheduled eight-hour debate, Mr. Whitelaw explained that military camps and detention centers would not house just riot prisoners, but would be used to cope with overflow from Britain's prisons caused by riot convictions.

For a nation already sensitive to charges that police harassment has been a major factor in the riots, the Brixton developments have already become a major incident. Wednesday night, rioters set fire to cars, threw firebombs and tried to build barricades on sidestreets.

Mr. Hattersley of the Labor Party, which has differed in only minor respects from the Conservatives on police methods, Thursday attacked the operation as "wrong in principle and wrong in practice." The raid was in search of firebombs.

"What has been said by the police since that occurred has only made fears of the police's attitude greater," he said.

6 Killed in Paris Fire

The Associated Press

PARIS — A fire of suspicious origin raced through a six-story apartment building in the Montmartre area of Paris Thursday, killing 6 persons and injuring 25, according to fire officials, who said they were opening an investigation into the cause of the blaze.

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WHEN YOU TELL 'EM BACK HOME WHAT FRANKFURT IS ALL ABOUT, SAVE A ROLL OF MARKS ON THE CALL.

Ah, the food in Europe! It's really something else. You'll sample the kinds of treats you wish you could share with the folks you left behind. So make their mouths water. Give 'em a call. But be sure to check these mark-saving tips first.

SAVE ON SURCHARGES

Many hotels outside the U.S. charge exorbitant surcharge fees on international calls. And sometimes the fees are greater than the cost of the call itself. But if your hotel has TELEPLAN, the way to keep hotel surcharges reasonable, go ahead and call. No Teleplan? Read on!

There are other ways to save money. **SAVE WITH A SHORTIE**

In most countries there's no three-minute minimum on self-dialed calls. So if your hotel offers International Dialing from your room, place a short call home and have them call you back. The surcharge on short calls is low. And you pay for the call back from the States with dollars, not local currency, when you get your next home or office phone bill.

SAVE THESE OTHER WAYS

Telephone Company credit card and collect calls may be placed in many countries. And where they are, the hotel surcharges on such calls are usually low. Or, you can avoid surcharges altogether by calling from the post office or from other telephone centers.

SAVE NIGHTS & WEEKENDS

Always check to see whether the country you're in has lower rates at night and on weekends. Usually the savings are considerable.

Have you digested that? O.K. Now pass the mustard!

Reach out and touch someone

Mackinlay's LEGACY SCOTCH WHISKY

12

Generations of Mackinlays have put their name to it.

White House Objects To Drafts of 4 House Appropriation Bills

By Helen Dewar
Washington Post Service
WASHINGTON — The Reagan administration, already victorious on budget targets and program cuts, is cracking down on congressional appropriations that are not shaped the way it wants.

Contenting that the House Appropriations Committee is risking spending overruns by the way it is allocating money for next year, David A. Stockman, director of the Office of Management and Budget, has written Committee Chairman James L. Whitten, a Democrat from Mississippi, to complain about money bills for the Interior, Housing and Urban Development, Agriculture and Treasury departments.

House consideration of the \$11.2-billion Interior bill was held up temporarily this week when Republican Rep. William E. Dannemeyer of California, acting on the administration's behalf, complained that it added \$600 million to spending levels recommended by the Reagan administration and left no room for supplemental appropriations. This complaint caught members of both parties off guard.

Democrats think the administration was reaching. There was enough concern on the Republican side to prompt Mr. Stockman to meet Wednesday with Republican members of the appropriations panel to explain his case. Sources within the administration consider the alleged defects serious enough to warrant a possible presidential veto.

All but the Interior bill fall within congressional budget targets. But the administration contends that spending is skewed in such a way as to lead to cost overruns for the future, as well as significant policy departures from Mr. Reagan's budget. Democrats contend that the administration is complaining about how money is spent even in cases when its own budget targets are met.

Illustrative Interior Bill
The Interior bill is illustrative of the dispute. The committee reduced proposed funding for the Strategic Petroleum Reserve, reflecting lower oil prices. The administration objects that the committee then used the money to help restore funds for programs that Mr. Reagan targeted for cuts, contending that the money should simply not be spent.

According to an Office of Management and Budget document, the additions include \$106 million for park acquisition, \$78 million for energy conservation, \$42 million for arts and humanities endowments and \$20 million for the Youth Conservation Corps.

The Interior bill exceeds budget targets only because the oil reserve is counted. If it is simply not counted for budget purposes, as both the House and Senate have voted to do, the money bill would be well within the general budget target — although it conflicts in details with Mr. Reagan's budget.

As for the Housing and Urban Development bill, the administration complains that the committee has used \$1.1 billion in paper savings from housing bonds to spread over a variety of programs including the National Consumer Cooperative Bank, which Mr. Reagan wants to kill.

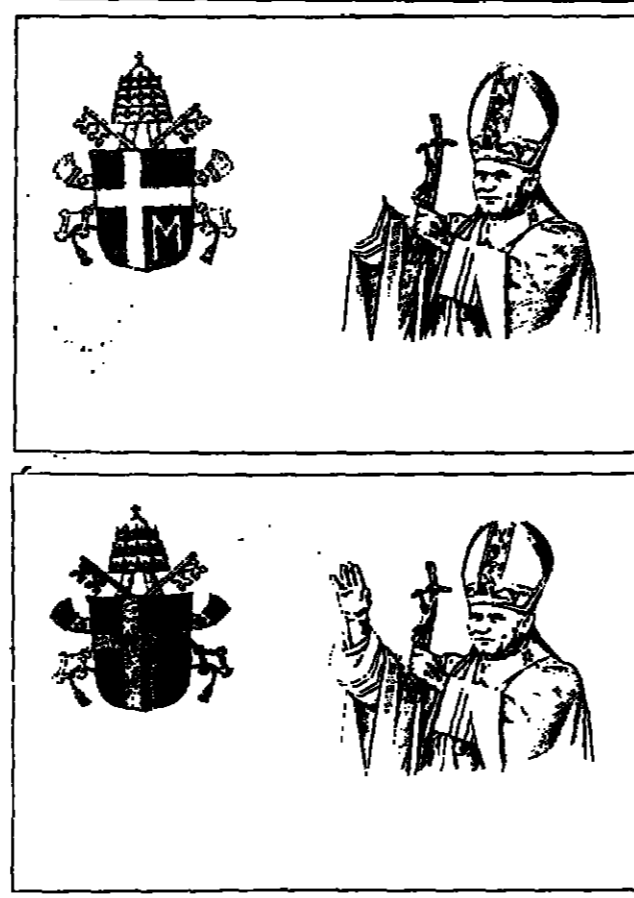
Tax Cut in Senate Test
WASHINGTON (UPI) — President Reagan's 33-month, 25-percent across-the-board tax cut package was to face its first test on the Senate floor Thursday over an attempt to the tax rates to inflation. Some Democrats contend that such a method, called indexing, would build inflation permanently into the tax system.

The Senate debated the issue Wednesday, but agreed not to vote until Thursday on the motion by Sen. William Armstrong, Republican of Colorado.

Meanwhile, the House Ways and Means Committee planned to work overtime if necessary to complete action on a Democratic alternative that would cut individual taxes 15 percent over 21 months, focusing most of the relief on people earning between \$15,000 and \$50,000 annually.

On Wednesday, the House committee approved a Democratic plan to lower estate and gift tax rates from 70 percent to 50 percent, exempt estates valued at less than \$600,000 instead of the current cutoff of \$175,625 and let a surviving spouse exempt all inherited property instead of just 50 percent, as it is now.

House Speaker Thomas P.



NOT ALL THERE — Church officials have asked an Italian firm to explain why about 10 percent of the 120,000 postcards it printed for the Vatican showed Pope John Paul II without his right hand. The correct postcard is shown at bottom. The mistake went unnoticed at first, and the Vatican post office began selling the cards to tourists.

Another Ruling Against Casey Disclosed; Reagan Affirms Support of CIA Director

By Michael J. Sniffen
The Associated Press
WASHINGTON — Another federal court ruling critical of CIA Director William J. Casey's financial dealings says that he and other directors drove a farming corporation that later failed deep into debt by managing it in a pattern of self-interest.

On Wednesday, President Reagan's Vice President Bush and White House counselor Edwin Meese 3d all affirmed support for Mr. Casey and discounted a May 19 New York federal court ruling against the CIA director. The affirmations of support were made before reports about a year-old federal appellate ruling from New Orleans surfaced. Mr. Reagan told reporters Wednesday: "There is no controversy. I have complete trust in him." Mr. Bush was asked if Mr. Casey should resign. He replied, "Oh, no."

Larry Speakes, the deputy White House press secretary, acknowledged that Mr. Reagan first learned of the New York ruling by reading press reports Tuesday.

O'Connor Remains Vague On Abortion, Other Issues

By Fred Barbash
Washington Post Service
WASHINGTON — Supreme Court nominee Sandra Day O'Connor has declined to provide specific answers to senators inquiring about her views on the Supreme Court's rulings on abortion.

After two days of politicking on Capitol Hill by the Arizona judge, her views on the one issue that has stirred controversy about her nomination remained unknown Wednesday, except for her comment the previous day that she is personally opposed to abortion.

Sen. Mathias, who met with Mrs. O'Connor for one hour, said they discussed a "wide variety" of issues, including civil rights, the rights of criminal defendants, court jurisdiction, rules of evidence and "the whole range of matters in which justices of the Supreme Court are involved."

But he indicated that the discussion was general. "We were in total agreement that the personal views of the judges were not as important as the fact that the judges apply the law." She made it clear she would apply the law, he said.

Aid-Dispersal Plans Seen as Summit Issue

New York Times Service
WASHINGTON — The issue of how best to channel billions of dollars in aid from the industrial democracies to poor nations has emerged as a likely point of contention at the Ottawa summit conference next week, according to Reagan administration officials.

The officials said Wednesday that President Reagan's advisers are dissatisfied with the wording of a draft of the communiqué to be issued at the end of the summit, and that the president will press for language changes in the section relating to aid to developing countries.

At his meeting with Mr. Reagan last Friday, Prime Minister Volcker asserts that European leaders understand U.S. interest-rate policy. Page 11.

Pierre Elliott Trudeau of Canada — the host of the summit conference — was reported to have pushed hard for Mr. Reagan's endorsement of global negotiations. An administration aide said Mr. Trudeau displayed "a certain combative spirit" on the matter.

Reagan aides, however, fear that the negotiations could serve to legitimize the demands of some Third World nations for a "new economic world order." The administration also prefers its own approach of emphasizing loans or investments from the private sector, rather than direct government aid.

There have been discussions at the United Nations about launching such negotiations, and last month the heads of state of the European Economic Community called for a new round of talks "as soon as possible." But Mr. Reagan's aides are wary because of what they see as a lack of consensus on what such talks would entail.

A White House official said Mr. Trudeau had spent more time on the issue last Friday than on any other. "We tried to find out, 'What do global negotiations mean?'" the official said. "It turns out that the term doesn't mean the same thing to the different persons who use it."

He said that Mr. Reagan would be more comfortable with the term "dialogue" than "negotiations" to characterize his view.

The issue is seen as important because Mr. Reagan has been subjected to criticism for placing heavy emphasis on what he sees as the threat of Soviet intervention in the Third World — and not enough emphasis on aid to poor countries to build their resistance against subversion.

Besides Mr. Trudeau, the new president of France, Francois Mitterrand, is expected by Reagan aides to press the hardest on "global negotiations." Administration officials said that Britain, West Germany and Japan were more sympathetic to the U.S. point of view on the subject.

Fruit Flies May Be Spreading in California

Los Angeles Times Service
LOS GATOS, Calif. — The head of California's Mediterranean fruit fly eradication program said that the fast-breeding flies appeared to be heading north toward San Francisco, spreading beyond an area that the state had been spraying this week.

State workers for the first time found larvae in San Mateo County on Wednesday. No larvae had been tracked farther north than Palo Alto, which borders San Mateo County to the south. Of more concern was a larvae infestation found Tuesday in Milpitas, on the east side of San Francisco Bay and only 50 miles and a mountain range away from the San Joaquin Valley.

Jerry Scribner, head of the state's Medfly eradication program, said the Milpitas discovery would add another 20 to 24 square miles to the spraying zone. That is in addition to the more than 120 square miles that had been set aside for spraying.

Meanwhile, Gov. Edmund G. Brown Jr. asked President Reagan on Wednesday to declare three Northern California counties a major disaster area because of the infestation that is imperiling state agriculture.

"This disaster is beyond the capabilities of the state and the affected local governments to effectively alleviate," Gov. Brown said in a telegram to Mr. Reagan.

Approximately 11,000 farms, ranches and businesses in Alameda, Santa Clara and San Mateo counties have suffered damage estimated at \$4.2 million so far, Gov. Brown said.

The state and local governments have spent more than \$20 million trying to cope with the threat to agriculture, California's No. 1 industry, the governor added.

"Unless the infestation is quickly controlled, these losses to agriculture will escalate to approximately \$93 million," Gov. Brown said.

The governor also said he has sent telegrams to the governors of several Southern states that have threatened to quarantine imports of California produce, telling them that California "is now able to certify" that all fruits and vegetables being exported from the state are free from the flies.

While Mr. Brown was seeking



A Mediterranean fruit fly, magnified many times.

After pesticide spraying efforts fell far short of goals for the second day in a row, state officials chartered more helicopters to help spray the Santa Clara Valley target area south of San Francisco, where the insects have been infesting backyard fruits and vegetables off and on for months.

Devastating Consequences
Agriculture experts want to contain the insects to the largely residential area. Any insect infestation of farmland — especially the nearby San Joaquin Valley — could have devastating consequences for California's \$14-billion agriculture industry.

Problems with helicopter pumps and sprayers Tuesday and Wednesday hampered the aerial spraying effort. Only about 6 of the 50 square miles that should have been covered by Wednesday were sprayed hit with the fly-killing chemical Malathion.

Mr. Scribner said he hoped to have two helicopters conducting the applications Thursday and as many as six by the end of the week, a number that should be sufficient to put the spraying program back on schedule and check the insect's spread.

Equipment Needed
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life Federation that showed, according to the organization, that members — who voted 2 to 1 for President Reagan last November — opposed Mr. Watt on 10 of 11 environmental issues. The federation expressed support for Mr.

Mineral Royalties Investigated
At the news conference, Mr. Watt announced a controversial plan to speed up the offshore leasing schedule for one billion acres of underwater lands during the next five years.

At the same time, he announced that a commission has been formed to investigate losses and "outright theft" of mineral royalties, primarily on Indian lands in New Mexico and Wyoming. The commission chairman, David F.

lean to one party or the other, the Republicans have cut their deficit from 16 points down to 1 point.

The Gallup figures, which exclude the independent leaners, show the Republican Party deficit shrinking from 24 points to 14 points.

Both polls showed economic issues as being far more important to the voters, and both said the Republicans have erased the Democrats' long advantage as the party of prosperity. Gallup gave the Republican Party a 13-point lead in that regard, the first such advantage in three decades.

Mr. Teeter said that Republicans enjoy a 51-point lead on controlling government spending, a 46-point lead on balancing the budget, a 45-point lead on controlling inflation and a 38-point lead on holding down taxes. In his figures, the Republicans have edged ahead of the Democrats by 1 point on reducing unemployment — the first time he has shown "them ahead in that area."

Both polls showed the gains were particularly noticeable in the South and the West, among younger voters and among Catholics.

Robert Teeter, president of Market Opinion, said the gains were attributable to President Reagan's personal popularity, strong public support for his economic policies and the Republican Party's improving image as a party.

Economy Most Important
Mr. Teeter's figures showed that in basic party identification, the Democratic advantage has shrunk from 16 points last June to 7 points in the most recent survey. Counting in independents who

Watt, Under Fire, Says White House Supports Him

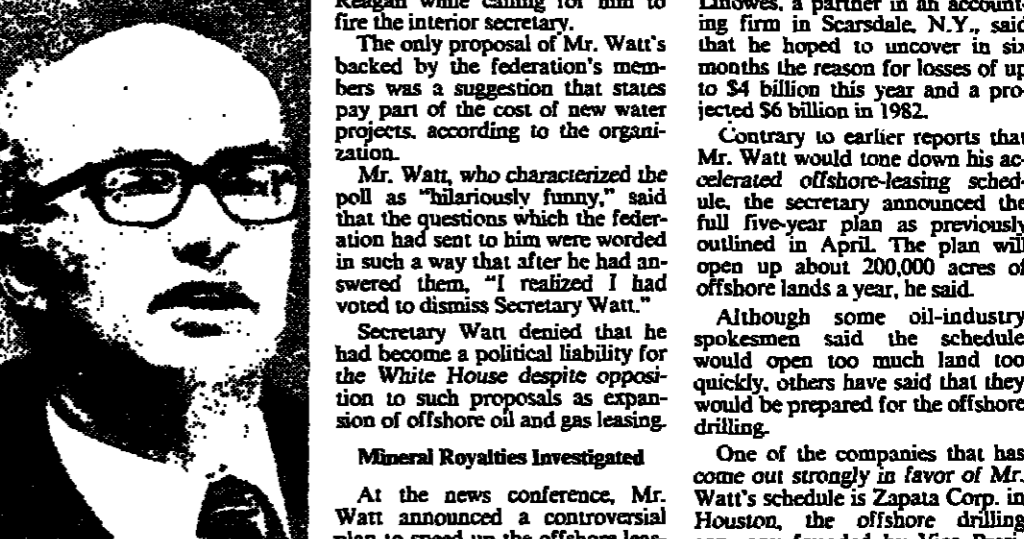
By Eleanor Randolph
Los Angeles Times Service
WASHINGTON — Secretary of the Interior James G. Watt, whose stormy six-month tenure has been criticized even by some Republicans, said Wednesday that he would resign at the point "when my usefulness has expired."

At a packed news conference after the National Wildlife Federation's call for his removal, Mr. Watt, unusually tense, said the White House has "not yet" made any effort to curb or tone down his plan to open public lands for resource development.

"I have one loyalty and that's to the president, and to the oath of office and to the American people," Mr. Watt said when asked if his ability to operate had been hampered by mounting criticism.

Ten Proposals Opposed
"The criticism I knew would come with a change of government," Mr. Watt said. "We represent a change in philosophy... and we recognize there will be a segment that opposed the president's election, opposed my nomination, and will faithfully oppose most of my actions."

Mr. Watt dismissed a membership survey by the National Wild-



James G. Watt

2 Polls Show Republicans Gaining Support in U.S.

By David S. Broder
Washington Post Service
WASHINGTON — Two new polls show the Republican Party gaining ground on the Democrats in public support and the handling of most key issues, and moving into a position to challenge seriously for control of the House of Representatives in 1982.

A June survey taken for the Republican Congressional Campaign Committee by Market Opinion Research Corp. of Detroit showed the Republican Party a 49 percent, in a mock congressional election.

A Gallup Poll taken about the same time showed the Republicans trailing 49 to 45 percent. But both polls showed a clear trend in favor of the Republican Party in all three basic measures — party identification, issue preference and voting intention.

Rep. Guy Vander Jagt of Michigan, chairman of the Republican Congressional Campaign Committee, said his own poll "confirms our belief that 1982 is the year for Republican control of the House."

George H. Gallup said his congressional figures suggest that the

ern Frankenstein monster" whose costs were out of control.

The Trade Department said Concorde costs to the state were falling and that it would cost twice as much to scrap it now as it would to carry on. Its huge costs are partly because no airlines, apart from state-owned British Airways and Air France, have bought the aircraft, and the seven owned by each airline are not put to maximum use.

The department agreed with the committee's contention that Britain has shouldered more than a 50-50 share of Concorde development costs, and it said talks would be held about this with the new French administration of President Francois Mitterrand.

British Airways immediately welcomed the announcement and said it would step up negotiations to open a London-Miami route and a service to Lagos. It operates a profitable twice-daily Concorde route between London and New York and a once-daily London-Washington route, which runs at a loss.

U.K. Says Scrapping Concorde Would Cost More Than to Fly It

The Associated Press
LONDON — The Department of Trade has announced that the Concorde supersonic jet, which has cost British taxpayers nearly £849 million (\$1.57 billion), will be allowed to continue flying because it would cost more to scrap it.

The decision Tuesday followed a recommendation last April by an all-party committee of Parliament that the British-French airliner should be scrapped unless ways were found to cut costs. The committee described the jet as a "modern

Contract Given On Diego Garcia

Reuters
WASHINGTON — The U.S. Navy has awarded a \$300-million contract to a Texas construction firm to improve the U.S. Naval and Air Force facilities on the Indian Ocean island of Diego Garcia.

It said that work by the Houston joint venture of Raymond, Brown and Root, Mowlem, would include building and improving taxiways and ramps and constructing warehouses and other service buildings on the British-owned island 1,200 miles south of India.

Some runways and ramps would be thickened to handle B-52 strategic bombers, but defense officials said there were no plans to operate them routinely from Diego Garcia. The U.S. Navy has seven ships near the island carrying supplies for any troops the United States might send to the region to protect the Gulf oil fields.

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Both judicial rulings involved civil action brought into question Mr. Casey's role in Multiponics Inc., a New Orleans farming venture that failed.

In the New York case, a judge ruled that Mr. Casey and other directors had knowingly misled potential investors in 1968. In the New Orleans case, Mr. Casey and the other directors lost a bid to claim part of the firm's assets.

That ruling was sought by a court-appointed lawyer for the firm's trustee and was upheld July 16, 1980, by a unanimous three-judge panel of the 5th U.S. Circuit Court of Appeals.

Mr. Casey's attorney in New York, Milton Gould, said the CIA director, a self-made millionaire, lost \$150,000 in the venture. And Mr. Gould noted that damage claims against Mr. Casey and other directors had been dismissed in the New Orleans case. Mr. Gould said, "We have very substantial defenses to this action. Casey says he relied on the advice of a reputable investment firm, Glore, Forgan, and a reputable accounting firm, Haskins and Sells. He denies any misconduct."

The legal troubles over Multiponics surfaced after Max Hugel, a millionaire businessman brought by Mr. Casey to the CIA from the Reagan presidential campaign, resigned abruptly Tuesday morning as head of the agency's clandestine services. Mr. Hugel's resignation came hours after The Washington Post printed allegations by two New York stockbrokers that they had participated in 1974 with Mr. Hugel in prohibited maneuvers to boost the stock of a firm Mr. Hugel once owned.

Multiponics filed for reorganization under the Bankruptcy Act three years after its founding, according to the bankruptcy trustee's lawyer, Peter J. Butler of New Orleans. In January, 1973, Mr. Butler filed a motion arguing that all other creditors should take priority over Mr. Casey and the other directors who were seeking repayment of personal loans to the firm.

Mr. Butler also filed a civil suit against Mr. Casey and the other directors seeking \$2.1 million in damages. The suit and motion were combined in December, 1976, a special master reported to the court that the damages were not warranted but that subordination of the claims was. U.S. District Judge Alvin Rubin accepted the master's findings in January, 1977.

Rolling Appealed
One of Mr. Casey's co-defendants appealed Judge Rubin's ruling to the 5th Circuit. In an opinion by Judge John R. Brown, the appellate court said the record supported finding that the founding officers and directors engaged in a pattern of self-interest. The court questioned several business moves, including the purchase by Multiponics of a Florida farm known as Lisbon Development Corp., owned by one of Multiponics' directors.

"The Lisbon acquisition was not an arms-length transaction," Judge Brown wrote. "As the master observed, before the deal was closed they [the directors] were advised repeatedly that Lisbon had incurred substantial liabilities, not reflected on the balance sheet upon which they voted to purchase Lisbon... Regardless [they] continued with the transaction, failing to heed the danger signals before them, managing the company deep and deeper into debt."

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Few Refugees Willing to Accept Permanent Residence in Japan

By Henry Karnm
New York Times Service
KONAGI, Japan — Until two years ago, freighters that picked up Vietnamese refugees at sea had to provide a formal guarantee of resettlement in another country before Japan would give their passengers temporary shelter here, and no Indonesian refugee was admitted for permanent resettlement.

Japan's contribution for the care and feeding of refugees amounted to \$12 million from 1975 through 1978. Stung by international criticism, Japan increased its financial aid in 1979, when its contribution to the UN High Commissioner for Refugees and for relief for starving Cambodians leaped to \$90 million for that year. It climbed to \$100 million for the last budget year.

Chinese refugees was totally unsatisfactory," said Koji Watanabe, deputy director of the Foreign Ministry's Asian Affairs Bureau. "It took us three to four years to understand the importance of the problem and decide to handle it in a positive way," said Yukio Amano, deputy director of the ministry's Refugee Affairs Division. "We had no experience in accepting refugees and took a defensive attitude."

ASEAN's Staying Power Shown at UN Conference

By Don Shannon
Los Angeles Times Service
UNITED NATIONS, N.Y. — "We're the new majority," Philippine Foreign Minister Carlos P. Romulo declared at the Association of Southeast Asian Nations, which sponsored this week's United Nations conference on Cambodia.



Carlos P. Romulo

The Western press said we wouldn't last long. Mr. Romulo said of the initial ASEAN conference — in Bangkok in August, 1967 — when the Philippines joined with Indonesia, Singapore, Malaysia and Thailand in an attempt to unify Southeast Asia.

Like the 127 other refugees in a Franciscan convent here near the southern city of Nagasaki, the 31-year-old air force veteran asked that his name be withheld to protect close relatives still in Vietnam.

The Filipino minister, 82, the only founder of the five-nation organization still active in diplomacy, recalled that "they said we were going to fall like dominoes, but it was the other side that fell like dominoes. Why? Because we maintained ourselves as the bulwark of the private enterprise system and the free way of life."

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ASEAN, unlike the old U.S.-sponsored Southeast Asian Treaty Organization (SEATO), was organized specifically as a nonmilitary alliance. As such, it was able to attract the early support of Japan as a silent partner — an important element in the group's later success.

Mr. Romulo said the early days of the United Nations, of which he was also a charter signer, witnessed an "automatic majority" created by the Western powers and their allies. Then, he said, the world body was dominated by what he called "the tyranny of the majority," a Third World bloc dominated by the Soviet Union and its allies.

At first, the United States was lukewarm about the prospects of ASEAN as a regional organization of non-Communist nations in Southeast Asia. But when SEATO collapsed after the withdrawal of U.S. forces from Indochina in 1975, Mr. Romulo said, Washington took a milder attitude.

For some, the motivation is familiarity with the language; for many, the presence of relatives or at least a sizable Vietnamese community; and for almost all it is a belief that integration into Japanese society is too difficult.

ASEAN, unlike the old U.S.-sponsored Southeast Asian Treaty Organization (SEATO), was organized specifically as a nonmilitary alliance. As such, it was able to attract the early support of Japan as a silent partner — an important element in the group's later success.

Most UN diplomats give credit for much of the group's sway at the conference here to the energy of Tommy Thong Bee Koh, Singapore's ambassador at the United Nations. A 43-year-old lawyer educated at Harvard and Cambridge, Mr. Koh took up the fight against Vietnam after its intervention in Cambodia.

Former Deputy Becomes Malaysian Prime Minister

United Press International
KUALA LUMPUR — Mahathir bin Mohamad took the oath of office Thursday as Malaysia's prime minister.

Mr. Mahathir, a 55-year-old physician, was sworn in by King Ahmad Shah to succeed Datuk Hussein bin Onn, who announced his resignation in May because of a heart condition. Mr. Mahathir, who had served as deputy prime minister since 1976, is Malaysia's fourth prime minister since its establishment in 1963.

The change in leadership is not expected to alter the country's policies, but generally pro-Western policies or its commitment to the Association of Southeast Asian Nations.

Mr. Mahathir said little damage had been done because the aide had been used to gather political intelligence rather than security information. He said he had been aware of Mr. Siddiq's contacts with Soviet agents but had kept him on to allow police to gather evidence against him and the Soviet diplomats.

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Now the defensive attitude is taken by Vietnamese, who are grateful for the asylum that Japan has decided to grant to them but do not want to avail themselves of the Japanese offer of a permanent residence in Japan. The offer is extended to refugees who are in good health and willing to accept one of the many jobs that are available in this country, where unemployment is low.

Vietaimese, like other Asians, are even more conscious of the unusual cohesiveness of Japanese society than are Western residents here, and they fear that they would not fit in. "The mesh of Japanese social structure is so minute it is so very difficult to absorb an alien element," said Mr. Watanabe.

"There is acceptance of refugees in principle by the Japanese," he said, "but when it comes to their own community I have to admit there is still resistance."

"It is very hard to take part in Japanese society," said a Saigon University graduate who was in a refugee camp here. "In the Japanese language it is hard for us to improve our education. Here we can only work. But besides working and improving our living, we have to improve our knowledge, so that when our country is free again we can go back to rebuild it."

Like the 127 other refugees in a Franciscan convent here near the southern city of Nagasaki, the 31-year-old air force veteran asked that his name be withheld to protect close relatives still in Vietnam.

The bulk of the refugees here are fishermen and farmers from central Vietnam. Altogether, 1,621 Vietnamese are waiting in 24 camps run by religious groups and the Japanese Red Cross under UN auspices. Almost to a man, woman or child, according to Japanese and international officials, they want to go to the United States.

For some, the motivation is familiarity with the language; for many, the presence of relatives or at least a sizable Vietnamese community; and for almost all it is a belief that integration into Japanese society is too difficult.

The result is that the quota of 3,000 refugees that Japan is ready to admit permanently goes begging for the most part. Although Yukio Imagawa, director of the refugee division, said that Japan was ready to increase the quota if the demand were there, this willingness is likely to go untested.

Refugee Resettlement Sought
SINGAPORE (Reuters) — The officers of a West German ship with 395 Vietnamese on board said Thursday they were determined to have the refugees resettled in West Germany.

The 5,300-ton Cap Anamur, operated by a private humanitarian organization, docked here after a one-month voyage in the South China Sea to save refugees fleeing Vietnam in small fishing craft.

Isaac Soyer, 79, Realist Painter, Is Dead in U.S.
New York Times Service
NEW YORK — Isaac Soyer, 79, a Realist painter of the American scene, has died of a heart attack.

Mr. Soyer, who died July 8, was one of three brothers — the other two were the twins Raphael and the late Moses — who became leading exponents of the Realist School in New York, staying with it while Abstractionism became dominant.

John Topping Wheelock
WASHINGTON (WP) — John Topping Wheelock, 56, a retired U.S. Foreign Service officer who specialized in Arabic and Near Eastern affairs, died Monday of injuries received in a car crash.

Mr. Wheelock's foreign assignments included France, Switzerland, New Caledonia and Syria. In 1973, he became chargé d'affaires and principal officer of the new U.S. Embassy in Doha, Qatar. He returned to the United States in the mid-1970s and served in the U.S. delegation to the United Nations.

Cecil Alexander Scott
CHAPPAQUA, N.Y. (AP) — Cecil Alexander Scott, 79, a former editor in chief of Macmillan Co., died Friday. He edited James Michener's "Tales of the South Pacific" and Barbara Tuchman's "The Guns of August," both Pulitzer Prize winners.

DEATH NOTICE
SITTER, Katherine Kraft, beloved wife of Harold A. Sitter, formerly of Paris, France, died on July 12, 1981. Services and burial were held on July 15, at Condoite, Pas-de-Calais.

Life and Death Issue Euthanasia Society Issues Long-Delayed Guide on Suicide

By Elaine Davenport
International Herald Tribune
LONDON — After a delay of more than a year, England's voluntary euthanasia society, Exit, has published its controversial guide on how to commit suicide.

The booklet, "A Guide to Self-Deliverance" is sold for £5 (about \$11) to people over age 15 who have been Exit members for at least three months. "We know a large number of people joined just to get the guide," acknowledged Nicholas Reed, Exit's general secretary. He noted that membership has risen from 2,000 in 1979, when the idea was suggested, to about 10,000 now.

More than 500 members — most of them elderly and about 80 percent of them women — have received their copies. The booklet, which goes into great detail on how to commit suicide, was long held back because of disputes about whether it would encourage suicide.

Reed, 34, and another Exit member, Mark Lyons, have been committed for trial on charges related to their activities with Exit. Lyons, 70, who is being held in Brixton prison, faces one charge of murder and eight charges of aiding and abetting suicide. Reed, who is out on bail, faces two charges of aiding and abetting suicide and three of conspiracy to aid and abet, a charge without precedent in Britain. The trial is expected this fall.

Another Exit member, Dr. Gordon Scott, a retired physician, had sued for a court injunction against the booklet's publication, but in May he withdrew the injunction after Exit promised to pay his legal costs.

One fear about the Exit booklet is that copies will fall into the hands of impulsive would-be suicides. To guard against this, members are asked not to share the booklet with others and to return or destroy it if they decide to kill themselves.

The delay in issuing the Exit booklet has allowed similar groups around the world to publish their own versions. The first was Scottish Exit. It separated from the London-based group in order to publish "How To Die With Dignity," which came out last September.

The California euthanasia group Hemlock published its own booklet in early June. The head of Hemlock is Derek Humphrey, an English journalist now living in California who in 1978 wrote "Jean's Way," an account of his aiding the death of his terminally ill wife.

A Dutch right-to-die group recently published a booklet of detailed suicide instructions that is circulated to doctors in the Netherlands.

A society in West Germany is debating whether to reprint a chapter of a 1965 book on suicide that gives details on how to kill oneself. The chapter includes stark descriptions of different forms of drug overdose, poisoning and gassing, including the use of car exhaust fumes; how best to use alcohol and chloroform; and instructions for shooting or hanging oneself, slashing one's wrists or injecting air into one's body.

"Some of the methods in the German book are really rather horrifying," said Reed. "One of the intentions of our booklet was to suggest methods that would not be appallingly traumatic for survivors and which would be reasonably peaceful. And one section gives seven reasons for not committing suicide."

Exit sees its booklet as an interim measure, Reed said. He said the group's aim is to change the law on euthanasia and "allow doctors to give it at the request of the patient."

Reed argues that many people would rather die "at their own time in their own home" than in a hospital or hospice, and he said, they ought to have that choice.

anywhere," said Reed — the booklet was seen as "the best alternative."

And the issue is being aired, which Reed believes is crucial to the group's campaign. "Our booklet has got the subject much more widely discussed than it has been up to now, and there is hope that it will break down a taboo," he said.

Reporters have converged on Reed's basement office just off Kensington High Street. Some of the publicity is sympathetic, but some accuses Exit and Reed of selling death like soap.

In contrast is the wide acceptance of the hospice movement, which uses pain control to ease terminal illness. Dame Cicely Saunders, 63, who in the late 1950s helped found the movement, was given her title in Queen Elizabeth II's New Year's Honors List and was recently awarded the £90,000 Templeton Foundation Prize for Progress in Religion.

A curious sort of tug-of-war for the hearts and minds of Britain's elderly and ill has developed between Exit and the hospice movement.

"Hospices are probably more skilled than any other medical establishment at dealing with pain control," Reed conceded. "But it's misleading to claim that they have found the answer to the painful terminal illness."

Dame Cicely, in an interview earlier this year, dismissed Exit and similar groups: "I don't think that is the answer. I've often quoted an old lady who wrote an article in the London Times saying human nature being what it is euthanasia wouldn't be voluntary for long."

Reed argues that many people would rather die "at their own time in their own home" than in a hospital or hospice, and he said, they ought to have that choice.

When it comes time for him to thumb through songs he wants to sing, he looks for lyrics. "If you asked me right now, I could probably do about 4,000 songs. No joke. I really know that many. After all, I've been singing them for over 50 years. For me the lyric is 99 percent of what's important about a song. For me a song is an idea expressed lyrically. If there is a pretty melody to go along, that's icing on the cake. But the cake is the lyrics."

Among songs with great lyrics he lists "All the Things You Are,"

"When the World Was Young," "The Folks Who Live on the Hill," almost anything by Lorenz Hart or Johnny Mercer, and recent work by Tom Paxton, Janis Ian, Eric Carmen and Paul Williams.

"The era of beautiful lyrics is not over. It didn't disappear with the '40s and '50s. There's a great revival in America for great songs. I don't think any of the young singers around today, the pop stars, are the next Perry Como or Andy Williams. But that's because they haven't followed the same kind of musical path that we did. They are influenced by their own peers."

"On the other hand, many of those same young singers are finding themselves growing older and are slightly tired of the pop scene. So are their audiences. They're seeking alternatives. Not substitutes, but alternatives. As their tastes become more developed, young people tend to want to hear lyrics that are more poetic than 'don't leave me, don't leave me' and music that is more complex than just three chords."

Besides writing and arranging songs (among his compositions is the standard "The Christmas Song," with its "Chestnuts roasting on an open fire"), he is the author of three books.

"The first was a Western novel called 'Dollar Hide.' I followed that with 'The Other Side of the Rainbow,' a book about Judy Garland. Some people said the book was not very complimentary to Judy. I say that it was merely a portrait of the two years we worked together and that sometimes the truth is not very palatable."

His third book was another novel, "Wymer" is an epic saga of a singer, and for the first time it's a book about a singer who isn't a thinly disguised Frank Sinatra. The book isn't 'Princess Daisy,' but it's sold fairly well."

He is working on No. 4, an autobiography. "But I'm not doing what so many people in show business do. You know how they tell all. Talk about everything they've ever slept with. No way. Not that it's no one else's business. It's just that I don't think it's very gentlemanly."

Being known as a gentleman is important to Torme. "Of course it is. I think all of us are in this business because we need acceptance. It's not only a warm feeling but a necessary feeling to know that you're appreciated. Otherwise what's it all about? I need something more than money for my soul's sake. It also has to do with artistic experiment. People in this business are in this business because they need to know how good they are."

For Torme, things have been very good: great reviews for his recent Carnegie Hall concerts, the standing ovation in Nice, the success of his music and books. Not long ago he was given a star in the sidewalk on the Hollywood Walk of Fame.

"I'm four stars away from John Wayne. But then, I should explain that this star isn't really for me. I think it's important to leave this world being remembered as someone who was liked, someone other people are glad they knew. So I think this star is for my kids and my grandkids. It's there so they can stand by it a long time from now and be proud. Yeah, it's really for them."

Pop Music Singer Mel Torme: 'The Lyric Is 99 Percent of What's Important'

By Jeffrey Robinson
International Herald Tribune
NICE — "I can sing on six hours' sleep," Mel Torme said. "Seven is better. Eight is terrific." But when he got to Nice for his concert he had only had 3 1/2 hours' sleep. "God must have been with me. My voice held up."

The audience was with him, too, giving him a standing ovation.

Now 55, Torme has been in show business since he was 4. He sang in Chicago and began doing radio shows before he was 10. By the time he was 20 he had written several hit songs and was singing with big bands. Forty-two albums later, he travels nine months a year, playing Las Vegas and doing television, clubs and concerts, as long as he gets enough sleep his voice is a mature, sophisticated version of the velvet fog tones that first made him famous.

"I've always felt I owe an audience more than just a few songs, more than just a few hours on a stage — that I owe them a show. But when I don't get enough sleep or if I have a cold and my voice isn't there — oh, it's terrible."

It happened a few years ago in Toronto. He had a virus, and simply couldn't hit the notes. "I did the show and didn't make any excuses. But everyone in the audience could tell there was something wrong. And I've never known such love from an audience. I explained afterwards, I told them I owed them one. Fourteen months later I went back and did a free concert."

He lives in Los Angeles but said he avoids the Hollywood party scene. He's a voracious reader and a compulsive collector. "I read everything from Dickens to the pulp. I get on kicks. I read every book by Agatha Christie, and then I read every book by Nevil Shute. I love John D. MacDonald. I have an enormous library of books about the mutiny on the Bounty. Historical accounts and all the variations of the story intrigue me."

Not 'A Jazz Singer'
He drives a 1937 Jaguar S8 two-seater, is a movie addict, collects movie posters and HO train, anything at all to do with Tombstone, Ariz., and reads everything he can get his hands on about Elizabeth I of England. "Genuine characters who have lived through larger-

than-life historical happenings totally fascinate me. Did you know that Elizabeth I and Mary Queen of Scots never met?"

Torme said he is flattered to be referred to so often as "a singer's singer," but: "I don't like any kind of label because it pigeonholes people. I don't even like to be called a jazz singer because I don't think there is any such thing as a jazz singer. There may be a jazz influence in my songs, but in the end every singer in America has some jazz influence. It's simply a question of degree." He said his personal musical tastes range from jazz to rock to classical.

When it comes time for him to thumb through songs he wants to sing, he looks for lyrics. "If you asked me right now, I could probably do about 4,000 songs. No joke. I really know that many. After all, I've been singing them for over 50 years. For me the lyric is 99 percent of what's important about a song. For me a song is an idea expressed lyrically. If there is a pretty melody to go along, that's icing on the cake. But the cake is the lyrics."

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Mel Torme appears Friday night in Paris at the Olympia. A Saturday appearance in London was canceled because of rioting there.

Food Making French Pastry: Portrait of a Maître Pâtissier

By Gregg P. Marshall
International Herald Tribune
PARIS — Paul Bugat, proprietor of the Pâtisserie Clichy, does not look much like someone who has devoted his life to pastry. He is tall and slim. In fact, none of his 15 assistants is anything but skinny. "Bread makes you fat, not pastry," he whispers, a grin spreading over his cherubic face.

Seated in the tearoom of his shop near the Place de la Bastille, Bugat explained how he became a maître pâtissier, one of perhaps 40

in France, an honor given him in 1970 by the Prespeur Montagné Gastronomic Club, an independent group of leading food professionals which awards diplomas of mastery in recognition of quality.

"I've never done or wanted to do anything else," he said. "Our family have been pâtissiers for three generations. My grandfather, Joseph Gavillon, was the first pastry chef at the Ritz, where he worked with Escoffier for 14 years before opening his own shop in 1910."

While at the Ritz, Gavillon married a Norwegian woman who supplied him with the blocks of ice he used in carving decorative sculptures. They had several children, one of whom, Bugat's father, eventually got up business in the 5th Arrondissement.

"I grew up in the laboratoire [as French pastry chefs refer to their kitchens] of my parents' shop. When I finished my schooling at 16, I served a two-year apprenticeship here, at the Clichy, which was then in the hands of the original owners, followed by another year at an English bakery in Birmingham."

Bugat recalled, admitting that there wasn't much the English could teach him about pastry by that time. After 18 months of compulsory military service, Bugat felt ready to move on.

"Like most young men of my generation I wanted to see America, where the time was, and still is, ripe for the introduction of the finest quality French desserts. My parents had different ideas, though, and bought another shop to keep me around." Five years later the shop was sold to his aunt. Bugat used the proceeds to buy the Clichy in 1970.

The recipes for the 30 different cakes baked daily, as well as those of the mousses, ice creams, and assorted confections, come from the family album, old Clichy favorites, and invention. "Customers are used to buying one kind of cake here, a different one elsewhere, so we don't change the assortment often," Bugat said.

It is easy to see why people come back for the house specialty, appropriately named the "Clichy," a nine-layer construction of egg-rich almond cake, coffee-flavored whipped butter cream, and the buttercream chocolate.

Bugat's chief assistant, a twinkling-eyed man respectfully addressed as Jean-Luc by his co-workers, moved blithely through the bustle of blue aprons — past racks holding steaming croissants, trays of marzipan, and just-filled lemon tarts — toward the basement.

"All of the crusts and doughs are made here," he said, "starting at five in the morning." Most of the staff arrives at 7.

The only machines in the kitchen are mixers. "But in the end we do not trust them," Jean-Luc said, sticking his arm up to the elbow in a bowl of genoise batter to add the last of the flour. "If there are any lumps here, or imperfections, I will

find them: The Machine, it just cannot know."

Work so much work done by hand "we must be organized," he said. One corner is reserved for the oven master, another for the mixing of butter creams, and a third for the cleaning and cutting of fresh fruit. Arranging egg whites around pies like stucco on a baroque ceiling, Jean-Luc gave some statistics: "We use 250 kilograms of flour, 200 each of butter and sugar, 100 of apples, 200 liters of cream and 1,800 eggs a week. And that's just for the pastry." Seven tons of ice cream and chocolates are sold each year.

Although about 80 percent of Clichy's business is done over the counter, Bugat's prides are the made-to-order cakes he makes for special occasions. A painter by hobby — he has covered the walls of the tearoom with scenes of 17th-century life in the neighborhood — Bugat is a master of the art of spun-sugar sculpture and decoration. He is capable of forming anything from the most graceful white swans floating on sucrose waves, to full-coral festivals with dancing elephants and ethereal palm trees.

"Sometimes I do four or five special creations a week," Bugat said. "The best yet was a reproduction of a Parisian poster, more than two meters high," which served 500 at a wedding reception several years ago.

Does it bother him to see the product of 20 hours of work devoured in minutes? "We just work for the instant. The surprise and happiness on someone's face when a lovely cake is presented, which becomes the best moment of an evening, that is enough satisfaction for me. Nothing is eternal in any business, not we're simply more conscious of fragility in ours."

Bugat travels frequently, particularly to the United States, where he is collaborating with Bruce Healy, a Yale physics professor and food connoisseur, on a book of French pastry cooking for Americans. He is also in demand throughout Europe as a consultant and "guest artist." But he is never too busy for his first love. As he does his apron and heads for the laboratoire, less crowded after the early morning rush, he radiates contentment. "I never want to be anything but a pastry chef."



Bugat with confection kiosk.

Rioting Kills U.K. Jazz Fest

The Associated Press
LONDON — London's biggest outdoor jazz festival ever, due to be held during the next two weekends, has been canceled because of recent riots in the capital.

Dizzy Gillespie, Ella Fitzgerald, Herbie Hancock and Sarah Vaughan were among the artists scheduled to appear on Clapham Common, South London.

But spokesmen for Capital Radio, the organizers, said they worried that the event could lead to trouble. Clapham Common adjoins the rundown Brixton area, where much of London's worst rioting has been centered.

\$19,000 for Eskimo Carving
TORONTO — A whalebone carving by artist Karoo Ashevak sold for \$19,000, a record for an Inuit work of art. Sotheby Parke Bernet announced Thursday. The carving, of a dancer with a drum, was purchased by a Vancouver collector. Inuits are Eskimo Indians of northern Canada.

DEATH NOTICE
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WORLDWIDE ENTERTAINMENT

KUWAIT

INTERNATIONAL
Herald Tribune

Published in the New York Times and The Washington Post

PARIS, JULY, 1981

A SPECIAL SUPPLEMENT



Sheikh Jaber al-Ahmad al-Sabah

Flexibility Lets Nation Adapt to Rapid Change

By Ken Whittingham

KUWAIT, a small desert state with an area of about 6,800 square miles and a small but growing population of 1.4 million, sits at the head of the Gulf, a volatile area where any instability can threaten world peace.

Yet economically the government seems to have found the path to stability and progress, while politically the state has no real enemies and a growing list of friends. Long before the oil wells had been drilled, Kuwait learned that the survival of a small nation among larger neighbors depends on skilled diplomacy and determined nonalignment.

This philosophy was followed by Sheikh Mubarak, who ruled the state at the turn of the century and is considered by many to be the founder of the modern state. He carefully played off the British against the Turks at the time of the great colonial drive to control the Gulf, and ended up with British protection against the Turks without the kind of political interference displayed by British political agents elsewhere in the Gulf states.

Eighty years later, the Gulf is vital to the rest of the world as a source of oil, and Kuwait, the third-largest Arab producer after Saudi Arabia and Iraq (when the latter is producing normally), is especially important. But Kuwait leaders do not expect anyone to seize the oil fields by military means, and rather see the future in terms of new forms of cooperation between oil producers and developed and developing countries.

Gulf Security

The Kuwaitis have long said that Gulf security is purely a matter for the Gulf states themselves. Kuwait is the only state in the Gulf that has full diplomatic relations with both the United States and the Soviet Union.

Kuwait is a vital member of the Gulf Cooperation Council. The newly appointed secretary-general of that organization is Abdullah Yacoub Bishara, former Kuwaiti ambassador at the United Nations and one of the most able and respected diplomats in the Gulf.

During a recent Gulf tour, he explained the council's attitude, which reflects the policy of his own government, in an interview with a Saudi newspaper: "Those who believe that the Gulf Cooperation Council was formed to clash with the Red Army are suffering from a complex of imagination, considering the Gulf as part of the Western strategy to defend Western interests. Those who think that the Red Army is the major threat to the Gulf are also suffering from nightmares and delusions."

Kuwait believes that the main threat to the Gulf is Israel and its stand on the Palestinians. The nation has a vested interest in a solution to the Middle East crisis and the establishment of a Palestinian state, given that it opened its

doors to refugees — about 20 percent of the population of Kuwait is Jordanian/Palestinian. It has benefited from the Palestinian community, which has provided much of the educated cadre in government and the private sector for many years.

At the same time, radical Palestinian factional politics are a permanent threat to peace and stability, as numerous bombing incidents have revealed in recent years. Such incidents — which cannot always be blamed on Palestinian extremists because there are other disruptive elements in Kuwait — are more of an irritant than a true threat to state security, but the government obviously wants to avoid them.

Another recent source of problems for Kuwait's security forces has been the unstable situation in Iran. On a number of occasions, Iranian warplanes have crossed into Kuwaiti airspace during the Iraqi-Iranian conflict, and more than once trucks have been attacked on Kuwait's exit roads. Moreover, Kuwait's firm commitment to Iraq, both politically and as a transit for Iraq-bound cargo, has inevitably alienated Iran.

While these factors are potentially a source

of trouble, there is little evidence that the authorities cannot cope with most threats. The security forces in Kuwait have recently been reviewed and a number of senior officers replaced to increase efficiency. And one important feature of the security forces is that, unlike those of some of the smaller Gulf states, they are manned by Kuwaiti nationals.

Domestically, the traditional government, still largely in the hands of the ruling family, is kept on its toes and sometimes openly criticized by the revived National Assembly and the national press. Kuwait's press is independent of government control, although it receives government support in order to survive. It is renowned for its variety of opinions and its outspokenness on domestic and Arab matters, and it is generally allowed to operate freely.

The high level of political interest and awareness displayed by educated Kuwaitis has no doubt been a powerful spur in the often innovative steps taken in social and economic development. Kuwait has one of the most comprehensive welfare state systems in the world for native Kuwaitis; some but not all

benefits are available to immigrant residents. Kuwaiti citizens, through an active private sector, have also played a full part in the development process, more so than elsewhere in the Gulf, except in Bahrain.

There are also problems. One of the first demands of the new National Assembly was for a 30-percent pay raise for Kuwaitis and 20 percent for non-Kuwaitis to meet the rising cost of living. There were also demands for higher pensions and social security. Such demands led in part to the dissolving of the assembly in 1976.

The government has sought during the last few years to hold down inflation, which is especially difficult in a society that has a high per-capita income and is almost totally dependent on imports. Salary levels will almost certainly be increased soon, but the question is to what extent the government can control the increase.

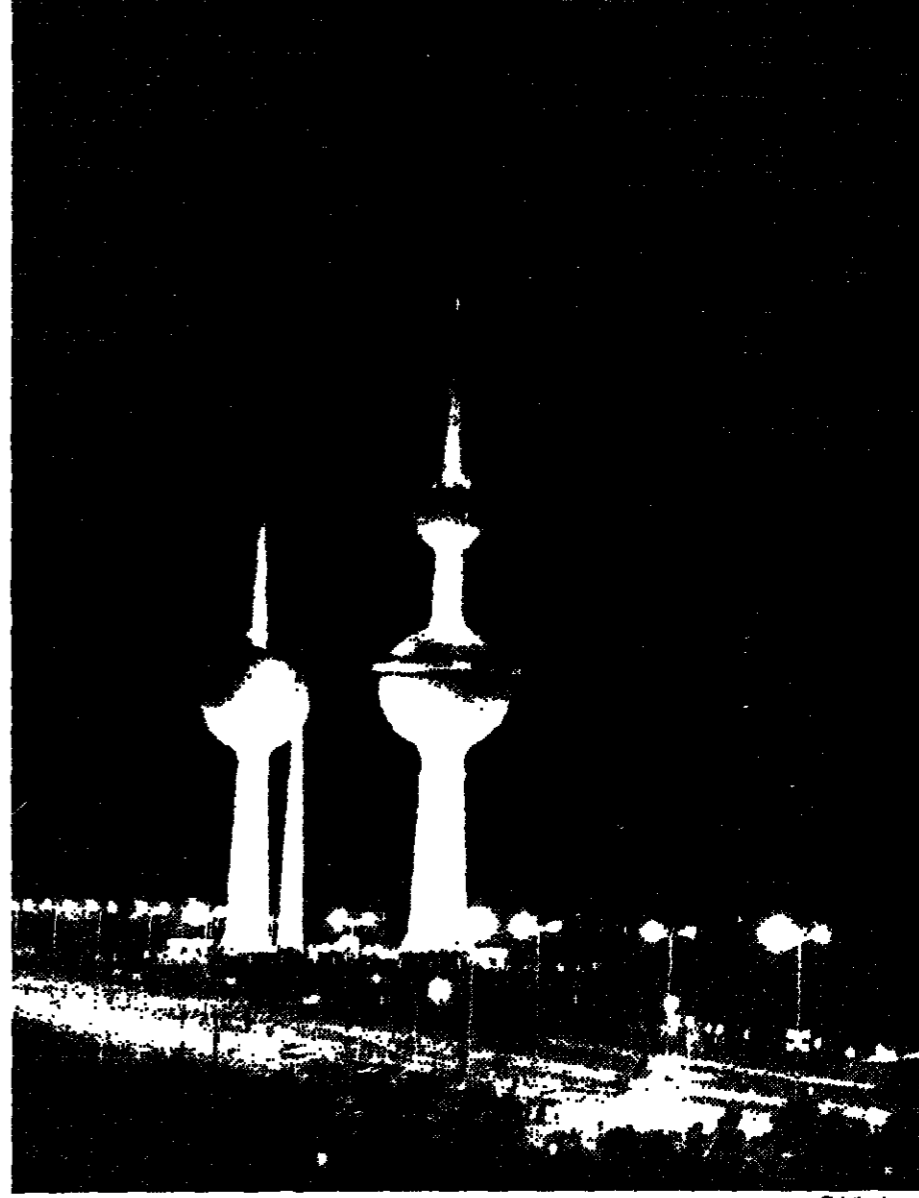
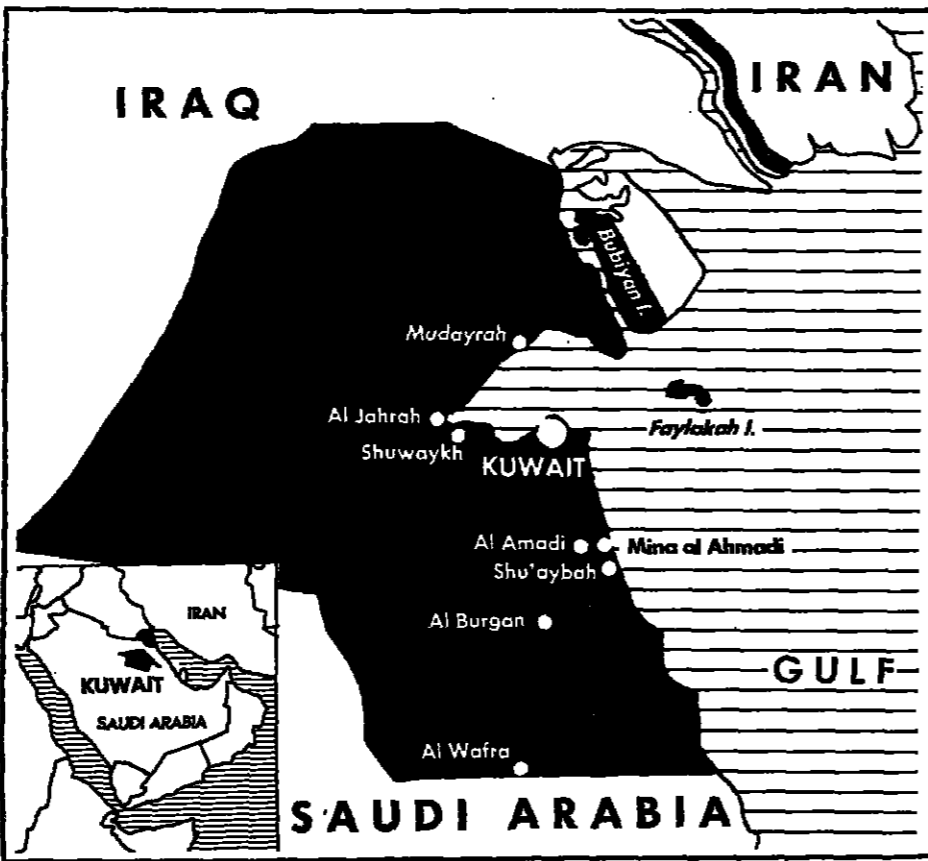
Reliance on a large immigrant labor force exacerbates this problem, putting pressure on social services and housing in particular. There is widespread concern about the number of immigrants who stay illegally after the completion of their contracts. Many of the workers are bachelors — the Planning Ministry estimates that there are 174,000 bachelors in Kuwait — creating a social imbalance and a large need for single-occupancy dwellings, which are not widely available.

In the past, however, one of Kuwait's strengths has been its ability to adapt to new situations. While important domestically, this flexibility has also been vital internationally, where tiny Kuwait has in two decades gained prominence, particularly as a friend of developing nations through its aid allocations. Kuwait established its first aid fund in 1961, the first of the oil producers to recycle revenues in this way. Through aid programs and foreign investment in a variety of fields, Kuwait has built a network of economic interaction that inevitably leads to political friendships.

While Kuwait uses its oil revenues for aid and to create political alliances, it has not forgotten that oil wealth will not last forever.

A Reserve Fund for Future Generations was set up in August, 1976. It receives 10 percent of annual state revenue plus the profits from the state's General Reserve Fund. The fund, designed to be of benefit to the generation that misses out on the oil era, is untouchable until the year 2000.

Kuwait's future does not depend on reserve funds or insurance schemes, however, but on whether the state is able to create a wide enough economic base to survive beyond the oil era, and on whether it can develop socially and politically enough to persuade its educated youth to remain at home and work.



Kuwait by night: The Towers, distinctive structures in Kuwait city.

Economic Planners Look To a Future Without Oil

KUWAITIS are renowned among the peoples of the Gulf for their hardheaded attitude toward business and their ability to perceive sound economic opportunities long before the competition.

Kuwait, of course, is dependent on oil. Until recent cuts in production brought the daily average output down from more than 2 million barrels a day at the end of 1979 to 1.25 million barrels a day as of April 1, Kuwait was the third-largest producer in the Middle East and the sixth-largest in the world. Last year, oil revenues accounted for 60 percent of the gross domestic product, 80 percent of total government revenue and 90 percent of total exports.

This nearly total dependence on oil has led Kuwait, since it gained full national control of its resources in the mid-1970s, to take a strong line on prices and production within the councils of the Organization of Petroleum Exporting Countries. While the state's decision-makers are aware of the need to maintain stability in the world economy, Kuwait has no intention of throwing away its main resource. Thus, as prices have risen dramatically, Kuwait has felt able to cut production.

The fact that production was not cut much earlier is evidence of Kuwait's sense of responsibility toward the international community, because the vast surplus revenues has created many problems for the nation's planners. But with that characteristic hardheadedness, Kuwait has been the first to find radical solutions to its problems.

Looking Forward

From the early 1950s, Kuwait, even with the minimal price of oil and the low percentage of royalties it was getting, was looking forward. Development of the infrastructure was the priority, and the Department of Electricity was set up to create a statewide network to end the reliance on privately owned generators. After beginning with one power station in Shuwaykh in 1952 producing 2,250 kilowatts, Kuwait in 1980 had an array of power facilities with a capacity of 2,618 megawatts.

The same rapid development took place for water. Kuwait's revolutionary efforts to solve the water shortage have brought experts from all over the world to see if its systems can be applied elsewhere.

An early start on power and water supplies gave the state the opportunity for an equally early start on industrialization, and by the beginning of the 1960s the first industrial area, at Shu'aybah, was commissioned. Later a major complex emerged at Shuwaykh. While a great deal of industry concentrates on supplying the construction business, there is now a diversification into consumer goods to cut imports. The private sector has been prominent from the beginning in the development of the non-

Area	6,800 square miles
Population	1.4 million
Currency	\$1 = 0.283 Kuwaiti dinars
Per capita annual income (1979)	\$17,270
Average growth rate (1970-78)	0.6 percent
GDP (estimated, 1979)	\$2.3 billion
Exports (1979)	\$17.4 billion
Imports (1979)	\$4.6 billion
Inflation rate (1980)	9.1 percent
Foreign currency reserves (1980)	\$2,547 billion

oil sector industry, although the government has been more and more involved in joint sector investments in recent years.

Diversification and industrialization have become catchwords in the Gulf region, but the problem of reducing dependence on a non-renewable source of revenue is too complex to be dismissed with easy words. For Kuwait, diversification has meant a great deal more than industrialization, as the current economic scene is beginning to demonstrate.

Limits to Progress

While a certain amount of industrialization is vital to turn a desert fishing and trading post into a modern city with a highly developed infrastructure, there are clearly limits to the viability of certain types of industry, given the constraints of the domestic market, with a population of 1.4 million, and the restricted opportunities for export. Kuwait's planners have been careful on the whole not to waste precious capital on grandiose schemes with no economic viability.

Domestic industry is basically geared to supplying the domestic market and to some extent the Gulf market. To reduce dependence on revenues from crude oil, Kuwait has long been interested in downstream and gas operations, both to diversify the oil industry and to increase the value-added contribution of oil to the national economy.

The Kuwait National Petroleum Co., founded in 1961 as a joint public and private sector enterprise, operates one of the most sophisticated refinery complexes in the world at Shu'aybah, the first all-hydrogen complex in the world. The plant has a capacity of about 200,000 barrels a day and provides more than 30 grades of product to meet the demand of local companies.

The Petrochemical Industries Co. has been producing fertilizers for years, and plans are under study for an aromatics plant, although this may be reviewed because of Kuwait's decision to participate in a petrochemicals project in Bahrain which Saudi Arabia is a partner.

Tanker Force

Besides producing downstream products, the nation must also get them to the market. Kuwait, as a long-time maritime state, has been building up a sizable tanker force under the Kuwait Oil Tanker Co., already the largest in the Arab world. Also in the shipping business, the United Arab Shipping Co., which, although owned by the seven Arab Gulf states, continues to be a largely Kuwaiti business — is beginning to show healthy profitability.

One of the most important long-term industrial developments, inaugurated in 1979, was called simply the Gas Project. For years, vast quantities of cheap energy and raw materials in the form of gas associated with oil have been burned off through flaring. In 1976, work began on a major complex to make use of the associated gas from a daily oil production figure of more than 3 million barrels a day. This gas provides not only energy and feedstock for local industry, thus giving domestic industry a competitive edge over imports, but also provides additional exports.

The contributions of Kuwait's industry, however rapidly it expands, will always be minimal compared with oil revenues, and there is a tendency to dismiss such efforts as being fanciful and uneconomic. But this ignores a number of factors.

While it is true that oil produces most of the state revenues, those revenues are consistently in excess of the requirements of the national economy. The new state budget for the year that began on July 1, based on the expectation of continued steep rises in the price of crude oil exports, estimated that revenues will rise to

(Continued on Page 8S)

Elected Assembly Is the Only One of Its Kind in Gulf

LAST FEBRUARY, elections were held for the National Assembly, which has taken its place in the nation's political life after an enforced absence of four years. It is the only democratically elected assembly in the Gulf region and has been a nearly constant feature of Kuwait's political system since the late Sheikh Abdullah al-Salem al-Sabah, the ruler from 1950 to 1965, changed the regime from an absolute monarchy to a constitutional system.

In August, 1976, Sheikh Sabah al-Salem al-Sabah decided that it was necessary to suspend the constitution and dissolve the assembly sine die. Following his accession on the last day of 1977, the present ruler, Sheikh Jaber al-Ahmad al-Sabah, promised that the constitution would be reviewed and that democracy would return to Kuwait. That promise has been fulfilled.

The National Assembly is important to the political process in Kuwait for a number of reasons. Since the mid-18th century, when the al-Sabah family achieved prominence in Kuwait, there has been a relatively open form of government, with the ruler's door open for consultation with his people. But the growing sophistication of state affairs has made direct contact between ruler and people more difficult, and the immigrant population, accounting for nearly 60 percent of the total of about 1.4 million, also distorts channels of communication.

Kuwaitis on the whole remain politically aware and deeply concerned about the affairs taking place in their country, especially the growing cadre of intellectuals, whose role is vital to the future of Kuwait. It is thus important to the country that their voice be heard and that they do indeed participate rather than join the "brain drain" to the West or to other Arab states.

Popular Concern

Reflecting popular concern in domestic affairs, the National Assembly, since its creation in 1963, has been anything but a rubber stamp for palace decisions. During the early 1970s, when negotiations were under way for the government to buy a 25-percent share in the Kuwait Oil Co., the National Assembly pushed for an immediate 50-percent holding, and was thus instrumental in the rapid achievement of national control of the oil industry in 1976.

When the assembly was dissolved in 1976, it was engaged in a deadlocked dispute with the Cabinet over levels of social benefits at a time of rapid inflation. Moreover, a loose Arab nationalist bloc formed among young deputies as early as 1965 was pressing for radical reforms. The combined pressure of a difficult financial situation and an explosion of prices following the major increase in oil revenues added to a turbulent political situation in the Arab world following the civil war in Lebanon.

When the new assembly was elected, most of the best-known radicals from the previous body, like Ahmad al-Khathib, failed to win seats, and there was a feeling among some observers that this would be an assembly without teeth. But the reality is proving to be different. As the body reviews 59 decrees issued in its absence, there are signs that the government will have a rough passage, especially where social benefits and freedom of speech are concerned. Deputies are particularly worried

about Article 25 introduced into the Press and Publications law, which gives the government the right to suspend or punish papers that it considers to be acting against the national interest. Deputies backed by Kuwait's strident national press are arguing that the clause is against the spirit of the 1963 constitution, which guarantees freedom of the press, although that constitution is itself still under review.

The most important long-term question raised in the first session of the new assembly concerns the political rights of women. Before the elections in February, there were strong hopes in many sectors of Kuwaiti opinion that women would be allowed to stand for election, and at the very least be allowed to vote. In the end, however, only adult males were allowed to enter the electoral register and stand for election, as prescribed in the constitution.

Women's Rights

Women who seek greater rights and their many male supporters argue, however, that the situation is radically different from that of the days when the state was young and oil revenues were small. According to the provisional results of the 1980 population census, there are now fractionally more women than men in the population. Kuwaiti women represent 20.9 percent of the total population, while Kuwaiti men account for 20.6 percent.

Gap Has Narrowed

With more than half of Kuwait's native population of about 560,000 under the age of 25, the argument that women do not have the necessary educational background to participate in the democratic process is no longer valid. By 1975, there were 1,224 female graduates against 2,755 men, and the gap has narrowed considerably. Indeed, the Ministry of Education recently announced that in the coming academic year 1,500 female students had been accepted by the technical and vocational training institutes, against 1,300 boys. In Kuwait, unlike any other state in the Gulf, women can be found holding positions up to the highest level of seniority in government and private sector enterprises.

A female engineering graduate recently

pointed out in one of Kuwait's leading Arabic newspapers that Kuwaiti men of the 1960s and 1970s who play a leading role in national affairs would not have reached the necessary degree of education without the women who had to bear responsibility for domestic life in the pre-oil days, when the men were away at sea for months.

There is an even more vital factor in support of giving women greater participation. Since Kuwaitis are a minority of 41 percent in their own country, and half of that number is women, the state cannot ignore the work-force potential of half the population if it is to retain national control over the expanding economy.

Already Kuwait is more liberal toward women than most of its neighbors. The veil is rarely worn by the younger generation, and events in which men and women participate together are more frequent. But male dominance and segregation are still deeply rooted, and can be demonstrated by the fact that a new ice-skating center has an Olympic-size rink for men only, while women are admitted to a smaller rink along with children.

—KEN WHITTINGHAM

TV Is an 'Open Sesame' To Children's Education

IT IS A PHRASE known to children all over the world as the key used by Ali Baba to gain entry to the treasure cave of the Forty Thieves: "Ifrah ya Simsim," or "Open Sesame."

To Arab children nowadays, it has become the key for entry into their very own world of treasures. "Ifrah ya Simsim" is the most popular Arabic children's series ever to appear on Arab television, and has become even more of a cult than the American "Sesame Street," on which it is based.

When the ministers of information of six Gulf states — Kuwait, Bahrain, Iraq, Qatar, Saudi Arabia and the United Arab Emirates — held their first meeting, in 1974, they called for the creation of a body to produce programs for Gulf television stations. Kuwait, with greater experience in the arts than most of its neighbors, was asked to organize the project, and in 1976 the Arabian Gulf States Joint Program Production Institution was established in Kuwait.

Initially, said Ibrahim al-Yusuf, the director of the institution, the idea was to produce a wide range of programs including variety shows, documentaries and dramas. But in 1976, representatives of the Children's TV Workshop in New York, the creators of "Sesame Street," were touring the Gulf to promote the series in the Arab world. Kuwait and Saudi Arabia responded favorably to the idea, and the project became the first task of the institution.

The Arab Fund in Kuwait agreed to finance the initial research and pilot produc-

tions, and a contract was signed with CTVW for a period of 30 months to cooperate on producing 130 half-hour episodes of "Ifrah ya Simsim."

CTVW has provided advice on techniques and made available some material from the original "Sesame Street" for incorporation in the Arabic programs. But the Arabic series has been specially written and produced for the needs of 3- to 6-year-old Arab children. Research has been carried out by a team of distinguished Arab education experts under the chairmanship of Dr. Mohammed Jawad Readda of Kuwait University. The series provides a unique basis for pre-school education in the Arab world, and introduces the concept that learning can be fun.

Education alongside entertainment has become the philosophy behind the Institution's productions. As Mr. al-Yusuf explained, the institution is not a commercial production unit, although it strives to cover costs through sales. A more important objective is to raise the standard of television productions in the Arab world and at the same time provide a locally produced alternative to material bought from the West.

Thus a series being shown in the Gulf states, entitled "Hayatuna," or "Our Life," deals with the generation gap in the contemporary Arab world. Thirteen episodes cover such things as first pregnancies, the early days of marriage, difficulties of adolescence and other familiar issues presented within a dramatic context and based on scientific research.

A drama series to be distributed in Octo-



A couple of the characters on the "Open Sesame" television show.

ber is "The Bu Khalid Family," which deals with the effects of development on family life in the Gulf. Local short-story writers are also providing material for a drama series entitled "Gulf Stories."

Given the dominance of television viewing as a leisure activity in the Gulf states, the Institution is a vital factor in Gulf cooperation and education, although its influence will extend throughout the Arab world.

One project results from a decision by Gulf health ministers to improve standards of hygiene in the region. The Gulf Institution is cooperating with Telepool, European Television Program Office, a subsidiary of Bavarian and Swiss Television, to produce a 32-

program series on health education. Scientific help will be provided by the Gulf States Health Organization based in Riyadh, and all possible television and radio techniques will be used to create a maximum impact through a combination of television programs, radio spots and advertising spots. The project will take two years to complete.

A seven-year project involves the production of 156 episodes in a series on Islamic and Arab civilization and culture, attempting to offer a new approach to the past and present of the Arab world that will attract the ordinary viewer rather than the academic mind. A pilot program on "Islamic and Arab

(Continued on Page 8S)

KUWAIT

Economic Planners Look To a Future Without Oil

(Continued from Page 75)
\$18.8 billion. Government expenditure will rise only slightly to \$10.7 billion.
These vast surpluses tend to distort the long-term economic picture for Kuwait, because the viability of alternative sources of income should be viewed against the real economic requirements of the state, not against an economy based on recurrent surpluses. Moreover, the rapid push for development in the last decade and

the constant spiral of oil price increases to match inflation has led to a high level of government spending.

Staggering Costs

The staggering costs of turning the desert into a modern city, of creating industries from nothing, even of producing water fit for human consumption, have produced a series of record budgets on capital expenditure. In addition, the lack of local manpower has

meant importing an army of labor, which has to be housed, fed and cared for. This raises dramatically the level of imports of all kinds and makes labor costs in Kuwait possibly the most expensive in the world. Furthermore, Kuwaiti leaders, keen to ensure that the people derive benefit from oil revenues, have created the most comprehensive welfare state system in the world, which benefits foreign workers as well as Kuwaitis.

In the short term, these economic pressures will continue because there is still much development needed. But the capital cost is beginning to decline as more and more major projects are completed, and there is now serious talk about reducing the size and cost of the foreign labor force, although it remains to be seen whether this is possible.

But in the long term, Kuwait is building a strong and efficient base to service and supply regional markets, and as international

transport costs continue to rise there is little doubt that Gulf industrial products will become more attractive to surrounding countries.

Kuwait is lucky in having temporary enormous wealth coupled with a small territory and population. Even the fastest rate of development in the world cannot go fast enough to absorb all that revenue, and so Kuwait is able to organize its finances sensibly, both through saving and investing, and this has shown the farsighted approach of the planners.

The savings plan is straightforward. In 1976, a Reserve Fund for Future Generations was established; each year, it receives 10 percent of state revenue plus all profits earned on the state's General Reserve Fund. Both capital and interest on the fund are intouchable until the year 2000.

The fund was established at a time when political problems culminated in the dissolution of the

National Assembly, and some observers see the fund as little more than a political sweetener for younger people who are concerned about the future in the post-oil era, with little long-term economic benefit. Nevertheless, it will represent an enormous amount of capital.

Investment has taken many forms. Kuwait was the first Arab state to move into the world of foreign investment, and with increasing funds available and developing experience, the state has made a significant impact on the financial world, and even more directly on the developing world.

In purely financial terms, Kuwait's efforts to recycle its oil surpluses have produced an investment income that now approaches 50 percent of the value of government spending. An increasingly sophisticated bank sector has developed to handle surplus revenues, constantly seeking new outlets and opportunities with long-term political as well as financial advantages.

While Kuwait has sought investment in real estate and Western industry as well as in operations on the international monetary and finance markets, it has also been a world leader in offering aid to developing countries. In absolute terms, Kuwait's contribution, per capita and as a percentage of gross national product, is probably the largest in the world.

This aid is a form of investment, in that it is mostly geared to infrastructural projects that will help the development of an economy and therefore help create markets for which Kuwait will be in a position to compete. Moreover, the political friendships resulting from such aid are important to a small, non-aligned state. Thus, although the strict financial returns on aid grants and loans are low, the political-economic returns are worthy of consideration.

—KEN WHITTINGHAM



Technicians at work in a television studio in Kuwait.

TV Is an 'Open Sesame' for Children

(Continued from Page 75)

"Medicine" is being produced in cooperation with Video Arts Television in London.

Feature Film

Kuwait is an appropriate base for this new venture in the visual arts. Critics were surprised when in the early 1970s a young Kuwaiti director, Khaled Siddiq, won numerous international awards for his full-length feature film "The Cruel Sea." This was the first full-length feature made in the Gulf, and he used Kuwaiti ac-

tors with little experience of the film world.

Perhaps even more surprising was that the film, which dealt with the hardships of the pearl diver's life in the pre-oil days, was a critical account of exploitation and poverty, and that it by no means suggested that the oil industry had created a paradise. Yet social criticism has long been a major feature in a thriving theater movement, especially in the private sector, and in the work of Kuwaiti writers.

Not surprisingly, the pres-

ence of a well-established university, which has on occasion aroused the displeasure of the regime for allowing free academic enquiry and debate, provides a firm intellectual basis for cultural production to grow, and in this respect Kuwait is many years in advance of its Arab Gulf neighbors except Iraq. And it is likely to play a leading role in creating a cultural response to the social problems that come with rapid development.

—KEN WHITTINGHAM

Successful Soccer Program Wins Enthusiastic Fans

LAST YEAR, Kuwait cruised to an easy victory in the six-team finals of the 30th World Military Football Championships, adding a trophy to an already sizable collection.

In recent years, Kuwait has dominated the most popular sport in the Gulf and has also made a considerable impact in Asia, winning the Asian Games in 1978. Now the target is Madrid in 1982 for the final stages of the World Cup. The first qualifying hurdle has been cleared, and Kuwait goes into a four-team playoff for one of the two places available to Asia in Madrid.

The extent to which soccer has become a national passion in Kuwait was demonstrated by the fact that at least four "soccer special" planes were laid on by Kuwait Airways to take fans on the one-hour trip to Doha, Qatar, for the World Military Soccer final.

Once British coaches were favored, and Dave Mackay, former Tottenham Hotspur and Derby County star, was highly successful, taking his

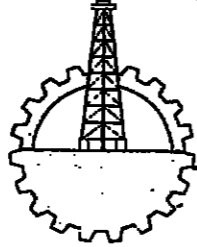
team to the league and cup double several times in the last few years. Now, however, the Kuwait Football Association prefers the Latin American approach to soccer, and the Brazilian World Cup player, Carlos Roberto, has been given control of the national squad.

Virtually every modern sport is played in Kuwait, and the encouragement and facilities are provided to develop outstanding talents. In athletics, a Kuwaiti shot-putter won the gold in the 1981 Asian Games in Tokyo. The state is also making progress in handball, basketball, volleyball and other sports popular in the Asian region.

Thus, quite apart from activity in the stadium and sports hall, Kuwaiti officials have been hard at work in the corridors of international sports administration. Kuwait was the first Gulf state to be represented on the council of the Olympic Committee and to head the international committee in an individual sport.

—KEN WHITTINGHAM

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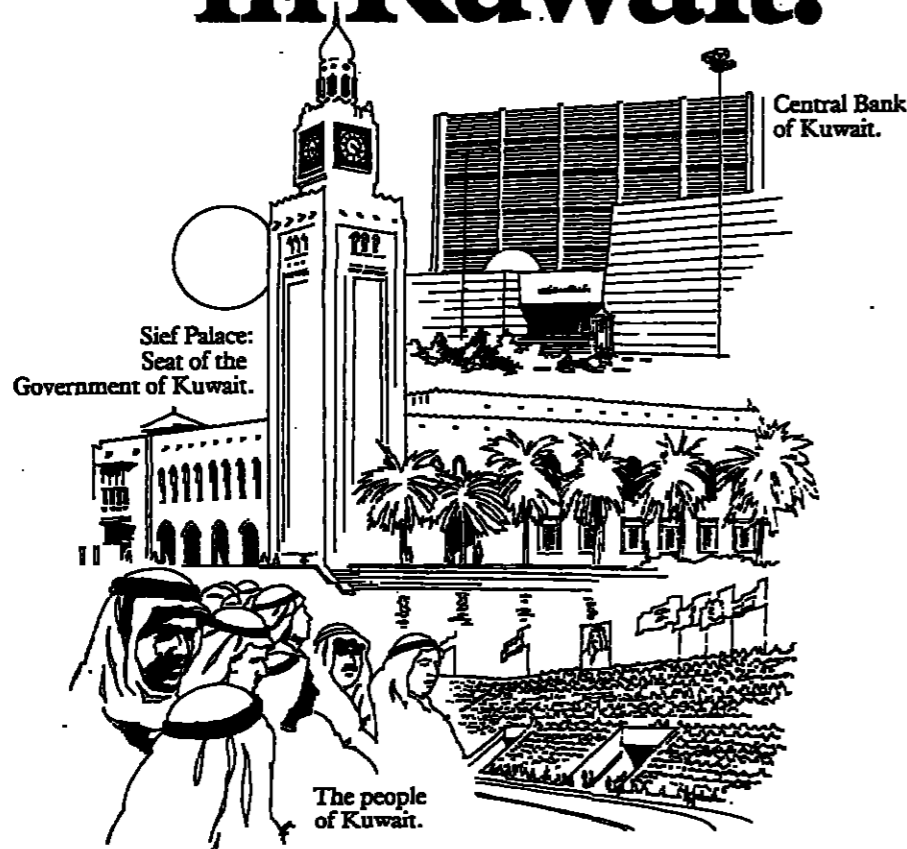
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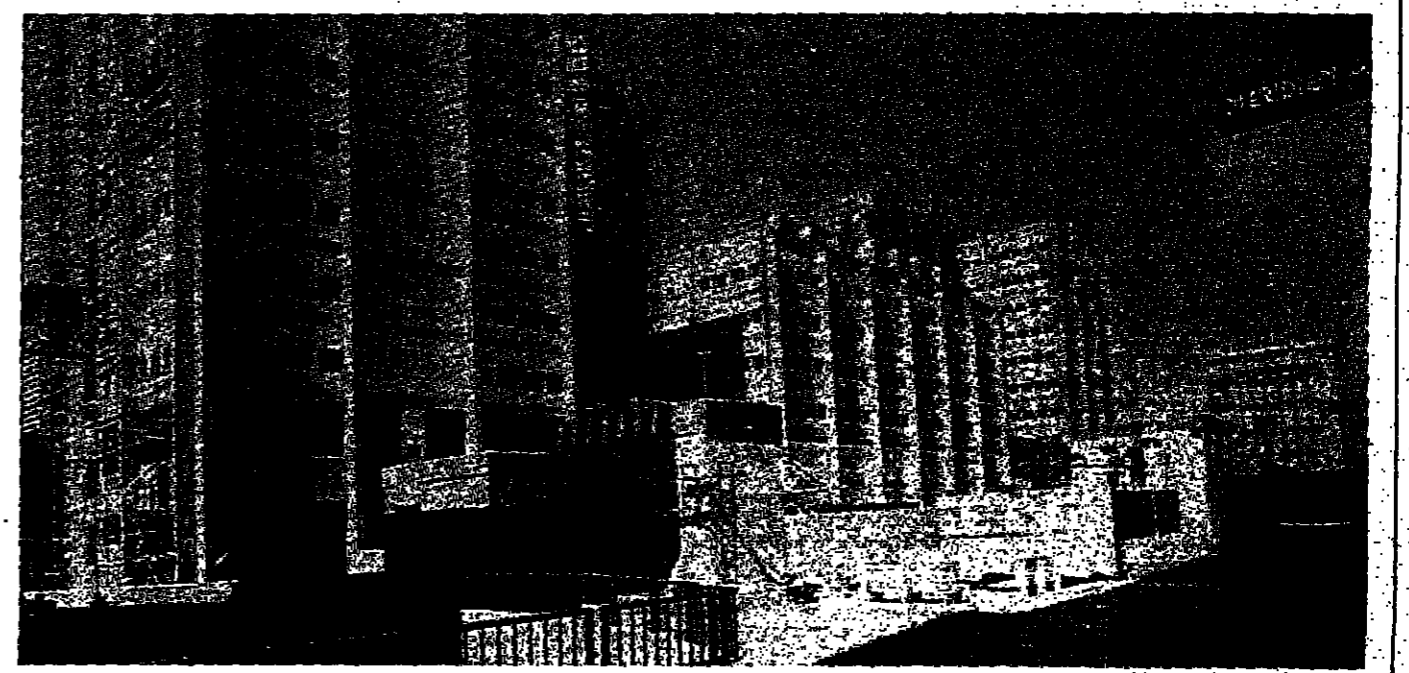
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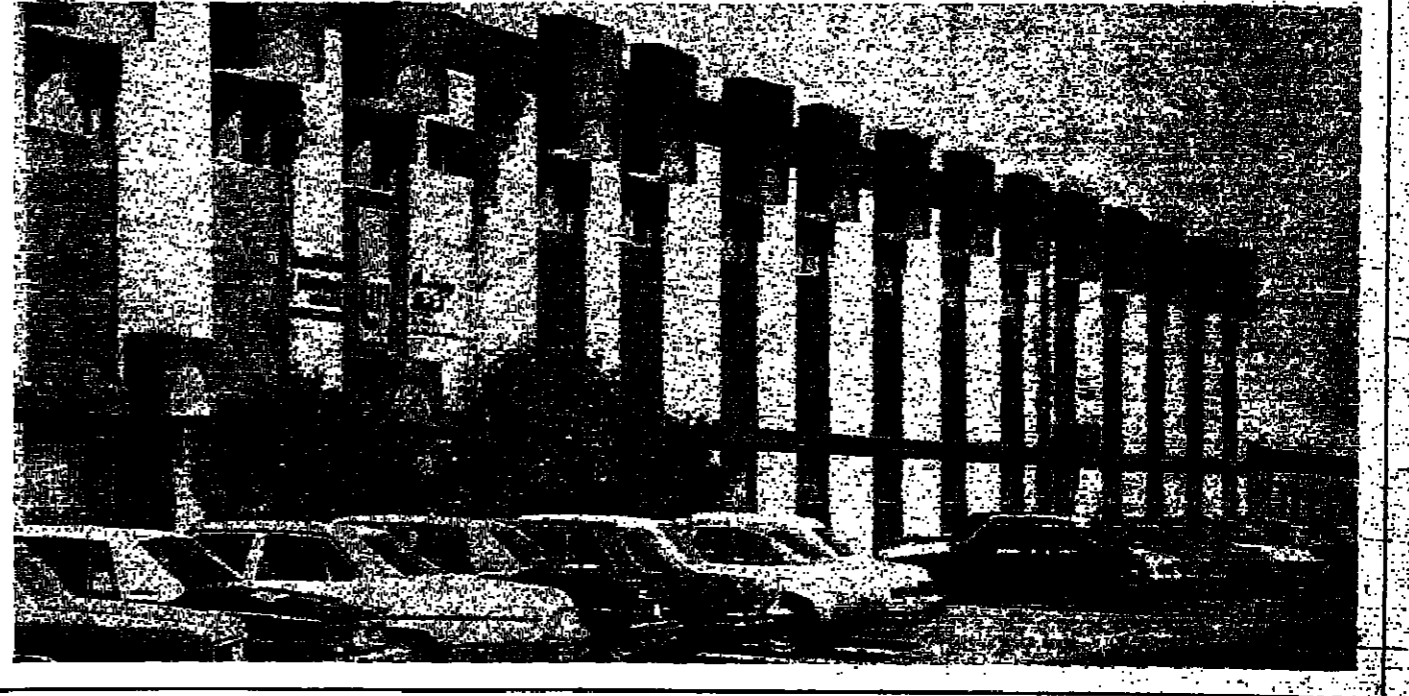
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KUWAIT

Education Gets High Priority

EDUCATION is the gift bestowed upon Kuwait's younger generation by the nation's great oil wealth.

About 10 percent of annual national expenditures go to ensuring that from kindergarten to graduation day Kuwaiti students have the best education their money can provide — but free of charge to them, right down to textbooks and uniforms.

It is a sensible policy because after oil Kuwait has only one natural resource, its people, and the survival of the state will eventually depend on the intelligence of future generations and their ability to transform the traditional business acumen of the Kuwaiti trader into the skills necessary for more sophisticated international dealings.

Education in Kuwait began in 1911 when a group of merchants set up a school to train a few clerks; it taught arithmetic and correspondence. The school widened its scope, but it closed in 1931 when the slump in the pearl trade crushed Kuwait's economy. In 1936, a new education system was started, staffed mostly by Palestinians from the first wave of exiles, and the first girls' school opened in 1937. Only Bahrain among the Gulf states had a formal if limited education system at the time.

Student-Teacher Ratio

Now there are more than 500 schools catering to a student population of more than 250,000 boys and girls between the ages of 6 and 18. Because 50 percent of Kuwaiti citizens are under 21, it is easy to see how important the advances in education are for the future. Indeed, because of high expenditures and concentrated planning and effort, Kuwaiti schools have an average student-teacher ratio of 10-to-1, a figure unparalleled in the world.

While the long-term raising of educational standards is important, Kuwait badly needs rapid results in order to provide a supply of trained manpower able to take control of the modern society and economy in all its aspects. Until such a supply is available, Kuwait will continue to be dependent on



Students attending a class at the University of Kuwait.

foreign manpower at a high economic, social and ultimately political cost.

The work of the University of Kuwait — which was established in 1966 with a handful of students but now has almost 20,000, with a slight majority of women — is beginning to make an impact in government service and industry. The university has attracted a high-caliber staff from the Arab world and abroad and has acquired a considerable reputation in various fields of research.

Unlike many Arab academic establishments, the university has a progressive attitude toward science subjects, and has taken on a social as well as a purely academic role by offering night classes to people who did not receive a formal education in their youth.

Economic Demand

While engineering and medicine courses provide skills desperately needed in the society, there are complaints that the university is not sufficiently geared to economic demand. Deputies in the National Assembly have recently called for the creation of a petroleum and mineral studies faculty.

Oil Minister Sheikh Ali al-Khalifa al-Sabah told the assembly that a number of Kuwaiti petroleum engineers and geologists are working with the oil companies but that

there is an acute shortage of mechanical engineers and chemists.

The problem is not merely the length of time required for graduates to emerge but rather that the majority of students choose the arts rather than science or technical subjects. With arts degrees they can be reasonably sure of a comfortable job in the civil service, which has become the major employer of Kuwaitis.

A further problem is that more than 50 percent of university students are women and, although women are now being employed in teaching, social services and other traditionally acceptable jobs, there is little evidence of any will to make them equal to men in industry.

Training Programs

At a lower level of academic achievement, both government and industry are involved in training programs to increase the involvement of Kuwaitis in senior positions and reduce dependence on expatriates. For example, the Kuwait Oil Tanker Co. offers free three-year training courses to qualified Kuwaitis, at a cost to the company of about \$50,000 per trainee.

Few Arab marine officers are currently employed or even available, yet fleet manager Jassen Kanakri believes that Kuwaitis, with

their long heritage as seafarers, could quickly come to grips with the demands of modern marine systems. Again, the problem will be to persuade relatively pampered young Kuwaitis who can be sure of a desk job in a ministry that they should engage in such work, however vital it may be to the national economy.

Achieving the right balance in bringing up children is not easy, and whether government officials — mindful of their own harsh experiences before the days of oil wealth — have been too easy on youth remains to be seen.

But there can be no argument about the government's concern in two special areas of education. The first is the treatment of the handicapped. The Arab world has tended to hide its handicapped population as something shameful. Not so Kuwait. Those familiar with Kuwait say that the standard of treatment of handicapped children in particular is probably the highest in the world, with every possible assistance provided.

Moreover, 30 years ago, few Kuwaitis were able to read and write. The government does not claim to have solved the problem, especially among older people who had no schooling. But the nation does have a literacy rate above 70 percent and rising.

—KEN WHITTINGHAM

Nation's Housing Shortage Called Severe

IN THE GULF, where immigrant labor swelled the population after the oil price boom, the housing problem is severe. In Kuwait, where the native population is also growing rapidly, a permanent solution seems virtually impossible.

In 1976, the government announced a five-year, \$5-billion program aimed at providing every Kuwaiti family with a house by 1980. In 1979 alone, more than 12,000 housing units, mostly for low-income families, became available. But the problem continues.

The new five-year plan for the National Housing Authority envisages spending \$4.98 billion on 36,000 new housing units. Again, the majority, about 25,000, will be for poor families. But 1980 statistics show that there are already 22,000 families waiting for low-income housing.

Yet housing has been given top priority. A generous plan for buying the old Kuwaiti city was demolished and reconstruction began.

Houses and land were made available to citizens with no deposit, a repayment period of 25 years and at 2 percent interest, and the selling price was usually subsidized. For those who could not afford to buy, low-income housing was available at rents fixed at a maximum of 5 percent of the tenant's income. By the end of 1974, after a period of rapid construction that provided jobs as well as houses, 13,500 low-income group housing units had been made available.

The shortage is exacerbated by two factors. One is that 60 percent of Kuwaitis are under 25, which means that demand by citizens alone increases not only with population growth but also as young men set up families.

In addition, according to a government estimate, the cost of building a high-rise apartment in Kuwait city, because of rising construction costs and even more because of the rising cost of land, is about four times higher than the cost of a similar building on Park Avenue in New York.

But most Kuwaitis do not like apartments. They prefer the traditional one- or two-story villa, even if it is fairly basic.

The government is now concentrating on creating model residential areas outside crowded Kuwait city, and especially nearer the main centers of employment in the industrial zones. Schools, clinics and shopping facilities as well as mosques are part of the infrastructure, as are parks, leisure and sporting facilities, all of which in-

crease the unit cost of housing but are important in preventing social unrest.

Two problems that have recently received attention from the authorities are how to deal with the rising bachelor population, as little single-occupancy housing had been planned earlier; and how to rehouse Bedouins, many of whom have come to the city and created

shantytowns. Under a special rural housing program, 10,000 houses were scheduled to have been distributed to Bedouins by the end of 1980, with priority to those who have not only been accepted for Kuwaiti nationality, a minimum requirement, but who are also serving in the army, police or civil service.

—KEN WHITTINGHAM

Cost-of-Living Index

Index	Change Over Preceding Year (%)													
	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980				
Foodstuffs	17.3	15.4	15.9	15.7	16.7	17.4	18.2	18.5	17.8	15.0	16.5	7.1	4.1	2.1
Clothing and Consumer Goods	14.5	10.5	11.7	12.4	11.6	11.2	10.8	10.8	10.0	6.5	9.0	11.0	5.1	11.4
Housing	21.1	10.1	12.7	14.0	14.7	15.7	16.0	16.8	22.7	17.4	2.1	1.0	2.4	2.4
Household and Personal Services	17.7	10.4	10.7	10.0	12.0	14.8	16.3	17.6	2.1	5.1	15.0	18.7	17.7	6.3
Durable Consumer Goods	14.2	10.7	12.1	13.8	13.8	14.0	14.7	16.8	10.1	9.5	1.4	8.7	5.2	5.1
Transport and Communications	12.8	10.9	12.1	12.8	13.2	14.0	14.0	14.0	14.7	4.0	1.4	9.4	8.0	4.5
Education, Health and Recreational Services	8.5	10.1	10.8	11.0	12.0	13.1	14.0	14.5	4.7	9.8	7.9	5.2	9.7	12.0
General Index	10.0	10.6	12.2	13.1	14.7	15.6	16.6	17.0	13.1	8.6	6.7	9.7	6.2	5.2

Source: Ministry of Planning, Central Statistical Office.

Note: Index for housing and related services for 1976 and 1977 has been adjusted to include the recent adjustment in rents under this division. Consequently, totals differ from each other in the said two years. (Ref. Comprehensive Survey by the Central Statistical Office.)

Road Death Rate Is Highest in World

OIL REVENUES have given Kuwait international status and recognition. Its welfare system is the envy of many more developed states, and in other fields, ranging from oil refining to foreign aid, Kuwait has set examples. But Kuwait heads one international list that is more a matter of shame, although the fault lies with individuals.

The death rate from road accidents is the highest in the world, according to Maj. Nabil Shuhaiber, the director of planning in the Traffic Department, in a recent interview with the Arab Times of Kuwait. The statistics he quoted told a gruesome tale.

One death and seven injuries occur per 57 traffic accidents — there were 24,891 accidents in 1980. The fatality rate in road accidents in Kuwait is one for every 2,000 people, against one per 5,000 people in West Germany, for example.

What causes such a high rate of accidents and deaths? First, this small nation, with most of the population concentrated in Kuwait city, simply has too many cars.

With a population of nearly 1.4 million in 1980, there were 542,940 registered vehicles, an increase of

nearly 10 percent from 1979. The result is long lines at intersections, in spite of three multi-lane highways in the center of the city and probably the best system of road signs and traffic signals to be found anywhere. Frustration at the length of time taken to drive relatively short distances in extremely bad conditions does not lead to good driving.

The second factor is sheer incompetence on the part of drivers. Maj. Shuhaiber also produced statistical evidence for this claim.

Traffic Violations

In 1980, the traffic police issued 130,057 tickets for traffic violations, which means one violation for every four driving licenses held in Kuwait. Of these, 35,867 were for parking offenses, 12,986 for driving in the wrong direction, 11,217 for crossing red lights, 8,268 for speeding, 7,193 for driving on the pavement and 1,188 for racing.

The authorities are doing their best to improve standards. Last year, more than 95,000 people applied for driving licenses, and about 8,000 took the driving test each month. Only 35,000 were ac-

tually issued licenses — not because the test had been made more difficult, Maj. Shuhaiber said, but because many applicants simply did not know how to drive. He called for an improvement in the standard of driving schools and instructors as a first step toward improving general standards.

Quite apart from accidents, which can be reduced by a more responsible attitude on the part of drivers, the pressure of so many vehicles has forced the government to begin major road programs to ease traffic flow in areas that in many cases have only been recently developed. A 350-kilometer network of highways is being constructed to take some of the load of roads in the center of Kuwait city onto ring roads.

The road program is expected to cope with the traffic up to the year 2000, by which time planners are already convinced that a new program will be necessary. As the city develops, so the problems of creating road systems become more complex and create more disruption. The cost per kilometer of road increases dramatically every year.

—KEN WHITTINGHAM

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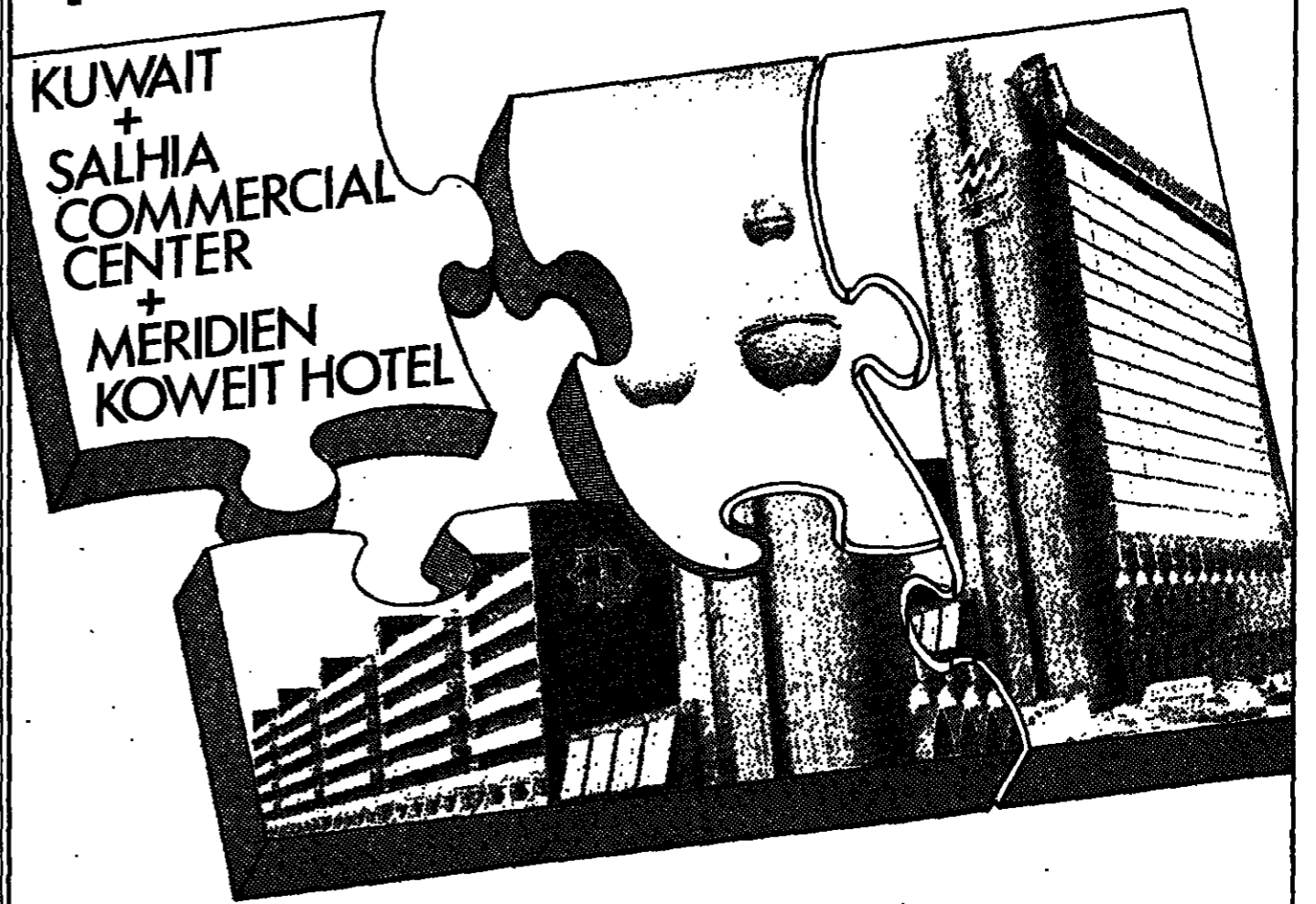
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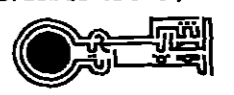
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KUWAIT

A Developing Nation Takes Leading Role in Aid to Third World

MANY WESTERNERS have accused the Organization of Petroleum Exporting Countries — and particularly Kuwait because of its stand on oil price rises — of crippling the economies of developing countries through fuel prices, yet few people are aware of the pioneering role played by Kuwait in developing new forms of aid to the developing world, or of the scale of the aid programs.

Even before 1973, when the price of a barrel of crude oil was less than \$3, Kuwait's total flow of government finance to the Third World was more than \$2 billion. With the increase in revenues, the aid expanded. Between 1973 and 1976, the aid was about \$5.4 billion, or 11 percent of gross national product, 22 percent of OPEC aid and 4 percent of the net flow from Development Assistance Committee countries.

Not only is the extent of the aid significant but also the form and motives for such contributions, which have been a model for changing the structure of finance between wealthy and less wealthy nations.

The most important and innovative organ through which Kuwait disburses aid is the Kuwait Fund for Arab Economic Development (KFAED). It was established in 1961 with a declared capital of nearly \$700 million and a lending capacity of three times that figure. Its purpose was "to assist Arab and other states in developing their economies."

Stringent Conditions KFAED is funded by the state but its operations are independent. It offers funds on soft terms but under stringent conditions. It usually finances no more than 50 percent of a project. The plan must be vital to the recipient country's economic development and involve host government financing. To ensure a recycling of development funds, the project must be self-liquidating within a reasonable term. Financing is paid in installments according to the progress of a project, which is constantly reviewed.

The motives for establishing the fund initially were obvious. Kuwait, already wealthy although not fabulously rich, was seeking membership in the United Nations and wished to be taken seriously as a member of the international community. Moreover, aid to Arab countries in particular was a means to regional solidarity, while the effect of aid in improving the gap between rich and poor in the

Arab world would promote political security.

A great deal of aid in the early years was given to Egypt, Syria and Jordan, the front-line states facing Israel, especially following the 1967 and 1973 wars. Sudan, North Yemen and other desperately poor states also received their share. After 1973, the flow went outside the Arab world to Africa, Asia and even poor European countries, as Kuwait took an increasing role through OPEC in attempts to create a new economic order in which the developing nations would play a more significant role.

New Relationship

Kuwait, despite its wealth, is itself a developing country. Thus it was a leader in moving aid from developing to developing nation. For the first time, a great deal of economic aid was available from a source other than a superpower or a former colonial power. A new form of relationship based on mutual benefit was developing.

Unlike advanced countries, Kuwait was not looking for a market for its exports — the developing countries are minimal consumers of oil, and sufficient markets already exist. But Kuwait needs outlets for its surplus funds that will provide a secure investment in the short and the long term. It also needs food security, because it has no hope of becoming self-sufficient.

Furthermore, as Kuwait does not manufacture arms and therefore cannot sell arms or offer military aid, its contributions are geared solely toward the development of Third World economies that in the end will provide Kuwait and the Gulf not only with food security and alternative markets for limited industrial output, but, as the Kuwaitis see it, with political security against interference from the superpowers.

Variety of Projects

KFAED is financing projects for irrigation canals in Sudan, railways in Pakistan, oil refineries, power stations, roads and agriculture. More than 40 countries have benefited from about 150 loans since the fund was established.

The fund has won high praise from those involved in the problems of financing Third World development and has shown results in improving the economies of a number of countries.

While KFAED deals only with projects aimed at economic devel-

Not only is the extent of the aid significant but also the form and motives, which have been a model for changing the structure of finance between rich and developing nations.

opment, the General Authority for the Arabian Gulf and South Arabian States deals with social development. Established in 1962 to help the development of health, housing and education services in the lower Gulf states, its activities have been expanded to the whole region and as far as Sudan.

The General Authority has financed the building and staffing of hospitals, clinics, teaching institutes, schools and the University of San'a in North Yemen. It is financed by an annual appropriation that forms part of a special supplementary state budget. Kuwait is host and major con-

tributor to the Arab Fund for Economic and Social Development and a leading financier of the Arab Bank for Economic Development in Africa, the Islamic Solidarity Fund, the Islamic Development Bank, the Special Arab Aid Fund for Africa and the OPEC Special Fund.

In addition to these regional and special funds, Kuwait is also active in such multilateral agencies as the World Bank and the IMF oil facility, the recently formed International Fund for Agricultural Development, and virtually all UN-sponsored agencies and programs.

isting economic and political order has to change so that trade, finance and political power are no longer monopolized by a handful of nations. In the past, international aid has tended to reinforce the dominance of the advanced countries rather than narrow the economic gap.

Kuwait's immense but temporary wealth will be of no value in the long term if the economic order continues as it is. With its heavy foreign investments in Western markets, Kuwait has a vested interest in the smooth redistribution of economic wealth and power to ensure its survival after the oil runs out. —KEN WHITTINGHAM

Health Services Are Attaining High Level

WHEN OIL revenues began to pour into Kuwait in the early 1950s, the ruling family, the al-Sabah, decided that the benefits should be shared by all the people of Kuwait, and moved to create the most comprehensive system of social services known to any state in the world — this in a tiny state with a small population and no real administrative infrastructure.

Since then, social services and especially education and health have taken priority in the annual budget allocations, with the result that Kuwait has become one of the best-equipped states in the Gulf and the Arab world. The health service recently received an international vote of confidence when a Kuwaiti delegation led by Dr. Hani Shubeier, who heads the heart unit at Kuwait's chest hospital, was invited to be an active participant in the first international conference on equipment for open heart surgery in England this month.

The delegation, the only one invited from the Arab world, was to present an original research paper on a new chemical-induced system of refrigeration of the heart during surgery. The system has proved successful in Kuwait and is in use in a number of Western centers.

High Success Rate

Kuwait entered the field of open heart surgery when a unit was opened in 1976. Since then, 450 operations have been carried out with a success rate of 92 percent, equal to that achieved in Britain or the United States.

That Kuwait should prove to be a pioneer in an advanced form of surgery is a tribute to the progress achieved since 1936, when the state had one doctor, one pharmacist

and a free clinic. By 1949, as the oil began to flow, the Amiri hospital, the first in Kuwait, was opened, and the government employed four doctors. Today there are 1,500 doctors on the government payroll and more than 250 in the private sector, providing a network of medical services for Kuwaitis and foreigners alike.

The opening of the Amiri hospital, which at first had 100 beds, signaled the beginning of a major expansion program to deal with the state's health problems as quickly as possible without charge to the patient. In the same year, 1949, a hospital for the mentally ill was opened. By 1952, sanatoriums were available for cases of tuberculosis, which was a serious problem in Kuwait as in most underdeveloped countries. Tuberculosis has been in effect eliminated through programs carried out in consultation with the World Health Organization. Smallpox was also quickly eradicated.

The importance of preventive health measures such as immunization campaigns is underlined by the fact that the last major smallpox epidemic in Kuwait, in 1932, resulted in 4,000 deaths in 10 days — when the population was probably no more than 40,000. The al-Sabah hospital, among the largest and best-equipped in the Middle East, was opened in 1962. Built at a cost of more than \$13 million, the 700-bed hospital offered a wide range of specialist facilities.

Development Program

A new development program includes the 1,050-bed Mubarak the Great hospital complex, situated near the densely populated suburbs of Hawalli and As Sahmiyah,

the recently opened Fahsheh hospital with 500 beds, and a number of other smaller hospitals and renovation programs that together will provide an additional 3,000 hospital beds. The aim is to have six beds for every 1,000 people, a much higher ratio than is available in most advanced industrial countries.

The main problem is how to acquire the highly skilled medical staff to use the sophisticated facilities. While a medical faculty at Kuwait University, plus students studying abroad, will eventually have a small impact on the staffing problem, it is not realistic to expect that Kuwait's small population will be able to provide enough trained medical staff to run such a large health service.

Competition for foreign staff is high, with virtually every state in the Gulf involved in establishing sophisticated hospitals and offering similar salaries and incentives to staff from abroad. Expansions of hospital facilities alone dictate a need for an estimated 10,000 additional staff members at a time when there is a worldwide shortage of qualified doctors and nurses.

A further problem is acquiring the services of top consultants when the demand for their skills is relatively low, given the small population. This is being solved by bringing in foreign specialists for limited visits, and there are proposals for consultants to be hired on a regional basis to serve all the major Gulf hospitals.

Kuwait's intention to reduce its reliance on foreign experts and cut the large bills paid to hospitals in the West for the treatment of Kuwaiti patients is demonstrated by the money and effort put into

research of the kind carried out at the heart surgery unit.

Another example of local initiative, on a lesser scale, is in ambulances. A Kuwaiti automobile engineer, Abdussamad al-Awadi, has designed the conversion of a station wagon into a fully equipped ambulance. This not only is more suited to the climate than imported vehicles, but the local conversion will cost nearly \$20,000 less per vehicle. The Ministry of Health is already buying the converted station wagons, and there are hopes that Kuwait will soon be exporting the model to neighboring states.

If Kuwait is to maintain a full-scale free health service with the highest standards, such initiatives will be required at every level. A constantly increasing population and a continuing influx of foreign labor have already placed the health service under heavy pressure. And although the cost of providing health services has increased dramatically, the new generation of Kuwaitis brought up with such free services expects the best.

There are already differences between services for Kuwaitis and foreigners. There are plans, for example, to obtain kidneys for transplant from abroad for Kuwaiti patients, while legislation is sought to allow local donors' kidneys to be used. Foreigners will have to wait until the program is widened.

If pressure on services leads to one kind of health service for Kuwaitis and another for expatriates, it could lead to unrest and therefore to security threats in a nation where more than 50 percent of the population is foreign. —KEN WHITTINGHAM

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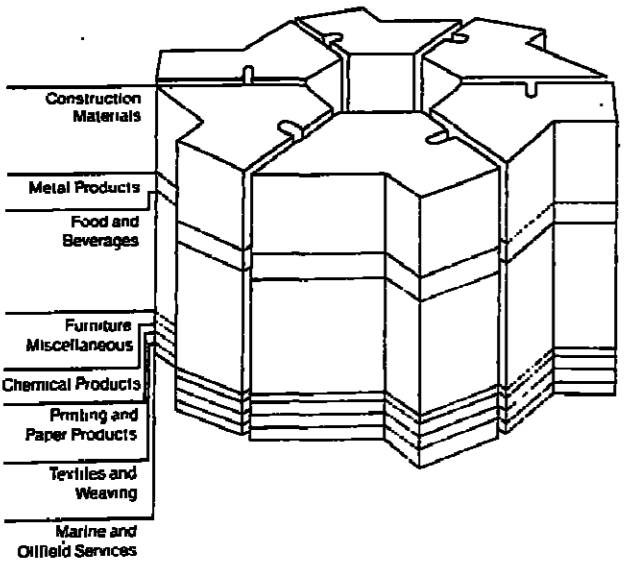
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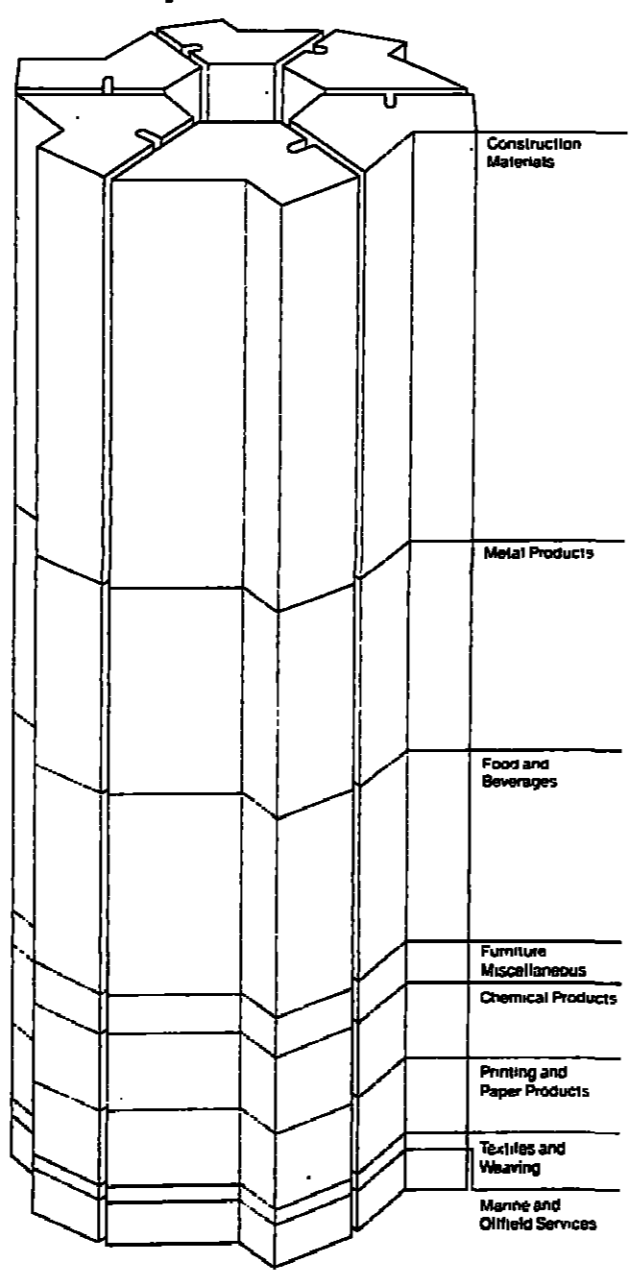
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IBK's Loan and Equity Commitments during 1980 Classified by Industrial Sub-Sector



IBK's Cumulative Loan and Equity Commitments (1974-1980) Classified by Industrial Sub-Sector



A large advertisement for The National Bank of Kuwait S.A.K. featuring a background of many small circular logos. The logos represent various companies and financial institutions that have received financing or guarantees from the bank, including Deutsche Babcock A.G., Siemens A.G., CGEE ALSTROM-COGELEX, BBC Brown, Boveri and Company Limited, Raden, Ishikawajima-Harima Heavy Industries Co. Ltd., Kawada Industries Inc., Ansaldo Meccanica Nucleare S.p.A., Pirelli General Cable Works Limited, J.G.C. Corporation, and Daewoo Industrial Company Limited (Korea).

BUSINESS NEWS BRIEFS

Ciba-Geigy Group Sales Rise 18% in '81

BASEL — Ciba-Geigy reported on Thursday a 18 percent increase in 1981 first-half group sales and said that it expected group net earnings for the year to top last year's 305-million francs (about \$55 million).

Rhone-Poulenc to Sell Morton-Norwich Stock

NEW YORK — Rhone-Poulenc said Thursday that it intends to sell its 20.3-percent holding of Morton-Norwich Products Inc. common stock, and has filed its intention with the Securities and Exchange Commission.

Fujisawa Sets Joint Venture With U.S. Firm

NEW YORK — Japan's Fujisawa Pharmaceutical Co. and the Smithline Corp. of Philadelphia have agreed to form a joint venture company in Philadelphia to develop and market pharmaceuticals in the United States.

RCA Files for a Direct Broadcast Satellite

NEW YORK — RCA said Thursday that it has filed with the Federal Communication Commission for authority to operate a direct broadcast satellite system.

Purchase of Connecticut General Is Declined

NEW YORK — Second Boulevard Properties said it has not purchased any of the Connecticut General Mortgage and Realty Investments shares tendered under its offer that expired Thursday.

Husky Approaches BP Canada for Acquisition

TORONTO — Husky Oil Chairman Robert Blair said Thursday that the company is interested in further acquisitions and has approached several oil firms, including Sun Co.'s Smacor Inc. and British Petroleum's BP Canada.

CFP to Resume Imports of Mexican Crude

PARIS — Compagnie Francaise des Petroles, one of France's two state-controlled oil groups, said Thursday it would resume suspended imports of Mexican crude oil next month under the terms of an existing contract.

Dutch/Shell Expects Loss In Currency Translation

LONDON — Royal Dutch/Shell group said Thursday it is likely to show a net currency translation loss on the order of £400 million to £450 million in the second quarter.

British Petroleum

LONDON (Reuters) — British Petroleum said Thursday that 91.6 percent of the basic entitlement shares under its £524 million rights issue were accepted, while 45.4 percent of the British government's shares under the offer were taken up.

French May Output Falls

PARIS — French industrial production fell a provisional seasonally adjusted 0.8 percent in May after a revised 2.4 percent fall in April, the National Statistics Institute said.

Volcker Sees Support For U.S. Rates Policy

By Hobart Rowen Washington Post Service WASHINGTON — Paul Volcker, the Federal Reserve Board chairman, said Thursday that despite criticism of high U.S. interest rates by European leaders, the principal financial ministers and central bankers with whom he deals support "the basic intent or thrust of our policies."

Mr. Volcker cited a comment made to him by "one wise foreign official" that he said represented the European evaluation of U.S. policies: "You cannot expect us to be enthusiastic about the effects of your policies. We will all have different opinions about just how you are going about it. But the fact is, we have no agreed better alternatives to offer you. We can only wish you success."

The Fed chairman was appearing before the Joint Economic Committee of Congress, whose chairman, Democratic Rep. Henry S. Reuss of Wisconsin, has been urging a change in fiscal and monetary policy to reduce "maudlinly high interest rates."

Mr. Volcker, while agreeing with Rep. Reuss and many European critics that the burden placed on the Fed would be reduced if fiscal policy restraints were stronger, said: "It is equally important to recognize that there are no quick fixes available through monetary policy to lower or fine-tune interest rates."

Lower Rates He said repeatedly that the Fed would like to see lower interest rates. "That will happen," he said, adding that it was mistaken to think that "we are following a policy deliberately directed at achieving high interest rates and dollar appreciation."

Responding to assertions abroad that the United States must be sensitive, in an interdependent world, to the effect its policies have on the performance of other economies, Mr. Volcker said that the United States "should not and cannot assume" responsibility for all economic difficulties being experienced in Europe or elsewhere.

He said that the 20-percent weighted average appreciation of the dollar since December, 1980, against major European and other currencies is not entirely due to U.S. interest rates. The differential on U.S. interest rates compared with the rates of other industrial countries, he said, has declined



Paul A. Volcker ... 'No quick fixes'...

Japan Reportedly Intent On Halting Yen's Decline

From Agency Dispatches TOKYO — Japan will intervene in the foreign exchange markets to prevent further depreciation of the yen against the dollar, Finance Minister Michio Watanabe was reported as having said.

His comments became known as the dollar reached a 14-month high against the yen despite central bank intervention.

Officials at the Finance Ministry, declining to confirm Mr. Watanabe's reported remarks about intervention, confirmed that he had stressed the responsibility of high U.S. interest rates in the weakening of the yen.

He was reported to have said that Japan would ask the United States at the seven-nation economic summit coming up next week in Ottawa to lower its interest rates soon.

Japanese reports of remarks by Mr. Watanabe at a seminar held at the mountain resort of Karuzawa did not mention a specific rate at which the government would step in, but how much it contemplated to spend.

After rising above 230 yen to Tokyo trading Tuesday, the dollar traded at 231.35 yen Thursday. Dealers said the Bank of Japan sold at least \$200 million Thursday as the dollar rose to a 14-month high of 232.60 yen before closing at 230.65.

Mr. Watanabe reportedly declared that the government would act to prevent a further depreciation of the yen that could push prices up, since the government

Senate Unit Backs Deregulation Of Telecommunications Firms

By Patricia Koza United Press International WASHINGTON — The Senate Commerce Committee Thursday approved legislation that would restructure the telecommunications industry by opening to competition every aspect of it except basic telephone service.

The complex bill would let American Telephone & Telegraph Co. move into lucrative fields such as computers and data processing. It now is barred from entering these fields by a 1956 settlement with the government of an anti-trust suit.

It was the first time such legislation — introduced in Congress in one form or another for the past six years — has made it out of committee.

The legislation also would deregulate key portions of the telephone industry, including manufacture and supply of telephone equipment and certain long-distance services.

Hollings Objection The bill was approved on a 16-1 vote, with Ernest Hollings, Democrat of South Carolina, opposing it on the ground that it did not contain enough safeguards to prevent AT&T from engaging in what he called anticompetitive practices.

Sen. Hollings objected to the way the bill requires AT&T to set up a separate subsidiary to enter the new fields.

Two Hollings amendments — one to make the subsidiary put some of its stock on the market and the other to keep the subsidi-

ary from having its own transmission services — were defeated. Commerce Committee Chairman Robert Packwood, Republican of Oregon, described the action as "a momentous occasion for the committee."

Under the bill, basic telephone service would remain regulated, but all other telecommunications services would be open to competition — except in cases where there is no other alternative.

The bill would permit AT&T, for example, to offer an electronic "yellow pages", although its entry into this field was severely limited following outcry from the American Newspaper Publishers Association.

On the trading floor, Conoco, which has been center stage on Wall Street all week, was active. Conoco, the subject of a bidding war, added 1/4 to 7/8; Dupont rose 1/4 to 5/8; and Seagram lost 1/4 to 5/8.

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Oil Sources Say Saudis Held Firm on Output Issue

Other oil ministers at the meeting were Ali Khalifa al-Sabah of Kuwait, Mana Saad al-Otaiba of the United Arab Emirates, Tayeb Abdel-Karim of Iraq, Abdel-Salam al-Zagar of Libya and Malik Ben Nabi of Algeria. Bahrain was represented by its minister of industry and development, Youssef Shirawi.

"Saudi Arabia will continue its efforts to force prices down and unite them," a Saudi diplomat said. A Kuwaiti source said the meeting "ended without decision."

Bahraini sources said the Saudis suggested that production rates and price unification be taken up at another meeting to be arranged later.

The Saudi, Bahraini and Kuwaiti ministers met separately and "firmed up" plans for a large plant in Bahrain to process heavy crude into lighter and more valuable products, Mr. Shirawi said. He said they put up \$2 million for a feasibility study. Oil sources said the plans are for a 5600-million plant with capacity to process 80,000 barrels of crude a day.

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CURRENCY RATES Table with columns for Currency, Par, and Dollar Values. Includes rates for Amsterdam, Brussels, Frankfurt, London, New York, Zurich, ECU, and Dollar Values for various currencies.

U.S. Bill on Takeovers Advances

WASHINGTON — A House subcommittee Thursday unanimously approved a bill that would make it harder for foreign investors — notably Canadian firms — to take over U.S. energy companies.

The panel agreed to hold off, at least for the time being, on an amendment that would prevent Canadian companies from buying more than 5 percent of any U.S. energy-company stock for the next nine months.

"But let the word go out," warned Rep. Marc L. Marks, Republican of Pennsylvania, "that unless we are able to resolve these (Canadian) problems, to protect U.S. interests, that this very drastic action (a moratorium) may be considered in the very near future, if not the very, very near future."

The bill, approved by an Energy and Commerce subcommittee, would impose on foreign investors the same stock margin limitations faced by U.S. companies seeking to take over other firms. U.S. companies can borrow only up to 30 percent of the value of the shares to be acquired in such cases, while foreign companies can borrow 100 percent.

The full committee is expected to take up the margin requirements legislation soon and a similar bill is pending in the Senate.

U.S. Factory Use Down

WASHINGTON — The utilization rate of U.S. factories fell to a seasonally adjusted 79.6 percent in June from 80.1 percent in May, the Federal Reserve said Thursday.

Published reports said banks are expected to lower their prime rate, but may wait until next week.

Takeover speculation has dominated the market in the last couple of weeks. These situations are creating heavy demands on banks for

Some projections have placed the rise in the money supply figure as high as \$5 billion. An analyst said investors will probably continue to exercise caution Friday unless they see some indication that the Federal Reserve is relaxing its monetary policies.

Most trading activity centered on energy and natural resource issues benefiting from the merger speculation that has swept the market for the last week.

Investors Nervous Analysts said investors were also worried that money supply figures to be released Friday will be up sharply, which could adversely affect interest rates.

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Prices on Big Board End Trading Higher

NEW YORK — Prices on The New York Stock Exchange closed narrowly higher Thursday in quiet trading.

One analyst said the main factors affecting the market were "familiar and indifference" adding that investors are holding back until they get a clear signal that interest rates will start to move down.

The Dow Jones industrial average closed at 955.48, up 1.33 points after being fractionally lower most of the day. Advances led declines by 767 to 672; volume fell to about 39.01 million shares from 48.95 million on Wednesday.

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NYSE Nationwide Trading Closing Prices July 16

Tables include the nationwide prices up to the closing on Wall Street.

12 Month High Low Div. In % Yld. P/E 100s. High Low Quot. Close	12 Month High Low Div. In % Yld. P/E 100s. High Low Quot. Close	12 Month High Low Div. In % Yld. P/E 100s. High Low Quot. Close	12 Month High Low Div. In % Yld. P/E 100s. High Low Quot. Close
45% 20% Rockwell 1.34 4.4 10 892 350 330 1/2 1/2	45% 20% Rockwell 1.34 4.4 10 892 350 330 1/2 1/2	45% 20% Rockwell 1.34 4.4 10 892 350 330 1/2 1/2	45% 20% Rockwell 1.34 4.4 10 892 350 330 1/2 1/2

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Atlanta, Georgia, cash \$ 834,000.—		FARMS	
FOOD STORES		Georgia, cash \$1,015,000.—	
Ohio, Pennsylvania, Michigan		Texas, cash \$ 401,000.—	
Each from cash \$ 155,000.—		RANCH	
to cash \$ 241,250.—		Texas, cash \$ 975,000.—	

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The Associated Press
General Motors Chairman Roger Smith shakes hands at a briefing in Tokyo with Isuzu Motors chief Toshio Okamoto.

Seagram Seen Aided In Fight for Conoco

From Agency Dispatches
NEW YORK — Speculation on Wall Street about the multibillion-dollar battle for Conoco has turned to reports that Seagram may get a partner in the bidding battle.

And, in a development that Wall Street analysts said they could not yet explain, the Marathon Oil Co. already considered a takeover target, said it was arranging bank loans totaling \$5 billion. The credit was being put together through a group headed by the Chase Manhattan Bank.

Mobil, Texaco
Marathon refused to elaborate on the purposes of the credit, other than to say that the funds would be in addition to others already available. The loan is roughly as large as those being organized by other companies involved in the bidding for Conoco.

Mobil, widely expected to be planning a bid, is thought to have lined up \$5 billion in loans. Texaco, another potential bidder, is said to have some \$3.5 billion in similar loan commitments. Wall Street analysts said, however, that they were fairly certain that if Joseph E. Seagram & Sons eventually

took on a partner, the move would be unrelated to the Marathon loan talks.

Responding to a bid earlier this month by Du Pont, Seagram offered \$85 a share, \$3.8 billion in cash, for 51 percent of Conoco. Seagram said that it would be ready to buy the stock and pay for it as early as next week.

Du Pont countered on Tuesday by raising its bid to \$95 a share for 40 percent of Conoco and to 1.7 of its shares for each of the other 60 percent of Conoco's shares.

Sizing up the two bids, many Wall Street analysts noted that although Seagram was offering somewhat less than Du Pont, it was prepared to pay next week, while Du Pont still faced a major antitrust investigation by the Justice Department and would be unable to pay until it got clearance, which could mean a month's delay.

Scant Chance
Seagram's edge could be academic, some analysts said, if Mobil, Texaco or, possibly, some other oil company made a bid.

Analysts said that they thought Mobil might be the first to make its move, and that if Mobil did, Texaco most likely would enter the fray. Both are thought to have scant chance of passing muster with the Justice Department because of their size, a consideration that may have delayed their entry until now.

Sources friendly to Seagram said it was their understanding that the liquor company had "not given up" and might increase its \$85 offer or, possibly, raise the number of shares it would purchase immediately. This would happen, they said, only if it seemed that Du Pont was going to get antitrust clearance. In that case, Seagram could bring in a partner so that the two could jointly raise the stakes still higher.

GM Chief Sees Few J-Car Sales in Japan

From Agency Dispatches
TOKYO — Although General Motors is mounting a worldwide campaign to sell its new line of compact cars, its chairman said Thursday that he does not expect to sell many "J-cars" in Japan.

However, the overall world reception by the public of the new compact is "better than we expected," Chairman Roger Smith said.

In Japan to mark the 10th anniversary of the financial tie-up between General Motors and Japan's

Isuzu Motors, Mr. Smith said the wide selection of small cars in Japan will make it hard for General Motors to sell U.S.-made J-cars in large numbers.

At a joint news conference with Isuzu President Toshio Okamoto, Mr. Smith said he did expect substantial sales of the J-cars, "but they'll be Okamoto's J-cars."

Isuzu will be manufacturing a car similar to the compact, Mr. Okamoto said.

Meantime, industry sources said that two Toyota Motor executive directors have left for the United States to resume talks with Ford Motor on possible joint production of small cars in the United States.

A Toyota spokesman confirmed that the two executives are visiting the United States. The spokesman said that he could not rule out the possibility the Toyota executives will meet with Ford.

Britain		Distillers		1979		1978	
Year	1980	Revenue	1,640.0	1,410.0	1,410.0	1,410.0	1,410.0
Profits	175.9	Profits	144.7	144.7	144.7	144.7	144.7
Per Share	34.20	Per Share	39.40	39.40	39.40	39.40	39.40
Unigate		1979		1978		1977	
Year	1980	Revenue	1,350.0	1,340.0	1,340.0	1,340.0	1,340.0
Profits	18.0	Profits	51.40	51.40	51.40	51.40	51.40
Per Share	14.57	Per Share	15.59	15.59	15.59	15.59	15.59
Japan		Asahi Chemical Ind.		1979		1978	
Year	1980	Revenue	800,130.0	711,290.0	711,290.0	711,290.0	711,290.0
Profits	17,420.0	Profits	24,160.0	24,160.0	24,160.0	24,160.0	24,160.0
Per Share	17.29	Per Share	24.23	24.23	24.23	24.23	24.23
Nippon Mining		1979		1978		1977	
Year	1980	Revenue	1,310,000	1,220,000	1,220,000	1,220,000	1,220,000
Profits	12,250.0	Profits	24.90	24.90	24.90	24.90	24.90
Per Share	24.90	Per Share	15.98	15.98	15.98	15.98	15.98
United States		Alcoa		1981		1980	
2nd Quor.	1981	Revenue	1,285.0	1,291.0	1,291.0	1,291.0	1,291.0
Profits	51.46	Profits	1.09	1.09	1.09	1.09	1.09
Per Share	1.09	Per Share	2.08	2.08	2.08	2.08	2.08
Diamond Intl.		1981		1980		1979	
2nd Quor.	1981	Revenue	2,603.6	2,593.1	2,593.1	2,593.1	2,593.1
Profits	182.6	Profits	292.3	292.3	292.3	292.3	292.3
Per Share	2.46	Per Share	4.11	4.11	4.11	4.11	4.11
Aluminium Co. of America		1981		1980		1979	
2nd Quor.	1981	Revenue	1,302.0	1,290.0	1,290.0	1,290.0	1,290.0
Profits	51.50	Profits	1.09	1.09	1.09	1.09	1.09
Per Share	1.09	Per Share	2.08	2.08	2.08	2.08	2.08
Bankers Trust N.Y.		1981		1980		1979	
2nd Quor.	1981	Revenue	2,603.6	2,593.1	2,593.1	2,593.1	2,593.1
Profits	182.6	Profits	292.3	292.3	292.3	292.3	292.3
Per Share	2.46	Per Share	4.11	4.11	4.11	4.11	4.11
Evans Products		1981		1980		1979	
2nd Quor.	1981	Revenue	457.0	457.0	457.0	457.0	457.0
Profits	38.8	Profits	10.35	10.35	10.35	10.35	10.35
Per Share	0.74	Per Share	0.74	0.74	0.74	0.74	0.74
First Intl. Bancshares		1981		1980		1979	
2nd Quor.	1981	Revenue	40.82	30.33	30.33	30.33	30.33
Profits	0.93	Profits	0.93	0.93	0.93	0.93	0.93
Per Share	0.93	Per Share	0.93	0.93	0.93	0.93	0.93
Penn Central Corp.		1981		1980		1979	
2nd Quor.	1981	Revenue	35.2	35.2	35.2	35.2	35.2
Profits	0.87	Profits	0.87	0.87	0.87	0.87	0.87
Per Share	0.87	Per Share	0.87	0.87	0.87	0.87	0.87

COMPANY REPORTS

Revenue and profits, in millions, are in local currencies unless otherwise indicated

1st Half		1981		1980	
Revenue	1,540.0	Revenue	1,540.0	Revenue	1,540.0
Profits	78.30	Profits	78.30	Profits	78.30
Per Share	2.85	Per Share	2.85	Per Share	2.85
Philip Morris Inc.		1981		1980	
2nd Quor.	1981	Revenue	2,870.0	2,870.0	2,870.0
Profits	194.5	Profits	194.5	Profits	194.5
Per Share	1.48	Per Share	1.48	Per Share	1.48
Fruehauf Corp.		1981		1980	
2nd Quor.	1981	Revenue	590.3	590.3	590.3
Profits	7.43	Profits	7.43	Profits	7.43
Per Share	0.62	Per Share	0.62	Per Share	0.62
General Telephone & Electron.		1981		1980	
2nd Quor.	1981	Revenue	2,271.9	2,271.9	2,271.9
Profits	169.8	Profits	169.8	Profits	169.8
Per Share	1.04	Per Share	1.04	Per Share	1.04
Georgia Pacific Corp.		1981		1980	
2nd Quor.	1981	Revenue	1,460.0	1,460.0	1,460.0
Profits	55.00	Profits	55.00	Profits	55.00
Per Share	0.52	Per Share	0.52	Per Share	0.52
IC Industries		1981		1980	
2nd Quor.	1981	Revenue	1,640.0	1,640.0	1,640.0
Profits	25.20	Profits	25.20	Profits	25.20
Per Share	1.01	Per Share	1.01	Per Share	1.01
National Distillers & Chem.		1981		1980	
2nd Quor.	1981	Revenue	522.3	522.3	522.3
Profits	24.49	Profits	24.49	Profits	24.49
Per Share	1.00	Per Share	1.00	Per Share	1.00
Olin Corp.		1981		1980	
2nd Quor.	1981	Revenue	544.5	544.5	544.5
Profits	22.16	Profits	22.16	Profits	22.16
Per Share	1.27	Per Share	1.27	Per Share	1.27
Yellow Freight Systems		1981		1980	
2nd Quor.	1981	Revenue	1,064.3	1,064.3	1,064.3
Profits	41.24	Profits	41.24	Profits	41.24
Per Share	2.05	Per Share	2.05	Per Share	2.05
Safeway Stores		1981		1980	
2nd Quor.	1981	Revenue	3,780.0	3,780.0	3,780.0
Profits	25.50	Profits	25.50	Profits	25.50
Per Share	0.98	Per Share	0.98	Per Share	0.98
Reynolds Metal		1981		1980	
2nd Quor.	1981	Revenue	950.2	950.2	950.2
Profits	45.29	Profits	45.29	Profits	45.29
Per Share	2.33	Per Share	2.33	Per Share	2.33
RCA Corp.		1981		1980	
2nd Quor.	1981	Revenue	1,960.0	1,960.0	1,960.0
Profits	58.40	Profits	58.40	Profits	58.40
Per Share	0.55	Per Share	0.55	Per Share	0.55
Public Service Electric & Gas		1981		1980	
2nd Quor.	1981	Revenue	733.3	733.3	733.3
Profits	52.94	Profits	52.94	Profits	52.94
Per Share	0.51	Per Share	0.51	Per Share	0.51
RCA Corp.		1981		1980	
2nd Quor.	1981	Revenue	1,720.0	1,720.0	1,720.0
Profits	130.3	Profits	130.3	Profits	130.3
Per Share	1.36	Per Share	1.36	Per Share	1.36

These securities have been sold outside the United States of America and Japan. This announcement appears as a matter of record only.

NEW ISSUE

16th July, 1981

RYOBI LIMITED
(Ryobi Kabushiki Kaisha)

7,000,000 Shares of Common Stock
(par value ¥50 per share)

evidenced by European Depositary Receipts

ISSUE PRICE \$1.767 PER SHARE
(equivalent, at the rate of exchange adopted for the purpose, to ¥400.40 per share)

Nomura International Limited
Yamaichi International (Europe) Limited
DG BANK Deutsche Genossenschaftsbank

All these securities have been sold. This announcement appears as a matter of record only.

NEW ISSUE

JUNE 1981

IBERDUERO
Hidroeléctrica Ibérica Iberduero S.A.

FLOATING RATE PUBLIC BOND ISSUE 1981-1988/91
OF SWISS FRANCS 75 000 000.-

HANDELSBANK N.W.

BANK VON ERNST & CIE AG
BANQUE PRIVÉE S.A.
SCHWEIZERISCHE HYPOTHEKEN- UND BANDELSBANK
WIRTSCHAFTS- UND PRIVATBANK

BANCA DEL GOTTARDO
LA ROCHE & CO.
BANCA DELLA SVIZZERA ITALIANA
BANQUE DE PARIS ET DES PAYS-BAS (SUISSE) S.A.

Aargauische Hypothek- und Handelsbank
Banque Vaudoise de Crédit
Bank in Gossau
Bank in Menziken
Bank vom Lintzhof
Basellandschaftliche Hypothekbank

EKO Hypothek- und Handelsbank
Luzerner Landbank AG
Banque Romande
Bank Europäischer Genossenschaftsbanken
Banque de l'Union Européenne en Suisse, S.A.

NEW ISSUE

These securities having been sold, this announcement appears as a matter of record only.

JULY 1981

U.S. \$30,000,000

The Long-Term Credit Bank of Japan Finance N.V.
(Incorporated in the Netherlands Antilles)

Guaranteed Floating Rate Notes Due 1989

Unconditionally guaranteed as to payment of principal and interest by

The Long-Term Credit Bank of Japan, Limited
(Kabushiki Kaisha Nippon Choki Shinyo Ginko)
(A Japanese Corporation)

LTCB International Limited
Bank of America International Limited
Commerzbank Aktiengesellschaft
National Bank of Abu Dhabi
Nippon European Bank S.A.
Swiss Bank Corporation International Limited
Westdeutsche Landesbank Girozentrale

Credit Suisse First Boston Limited
Chemical Bank International Group
Crédit Lyonnais
Kreditbank International Group
The National Commercial Bank
Salomon Brothers International
S. G. Warburg & Co. Ltd.

DGZ INTERNATIONAL

Wholesale banking for the Euromarkets

DGZ International in Luxembourg continued the prudent policy of previous years again during 1980/81 to consolidate its position as one of the leading wholesale banks in the Euromarket.

Total assets remained constant at DM 4.3 billion or Lfrs. 74,214 million.

The Bank's team of experts concentrated its activities on money market trading and money market related credit operations. Term money business was further expanded with DM transactions dominating.

In addition to the traditional short-term credit transactions the more profitable medium-term credit business with non-banks was cultivated. The Bank's clientele encompasses mainly top industrial borrowers, international organizations and state bodies in addition to banks.

DGZ International, in its tenth year of operations, looks back on a decade of steady growth

complementing the activities of the parent bank in the Euromarkets. It is a wholly-owned subsidiary of the Frankfurt-based Deutsche Girozentrale - Deutsche Kommunalbank -, one of Germany's major wholesale banks, the member institution on the federal level of Germany's Savings Banks Organization.

Financial Highlights 1980/81 Lfrs. million

Total Assets	74,214
Balances with Banks and Financial Institutions	36,309
Advances	26,013
Securities	8,470
Liabilities to Banks and Financial Institutions	67,037
Other Liabilities	1,929
Capital and Reserves	2,095

For further information about DGZ International just get in touch with us.

Deutsche Girozentrale International S.A.
16, Boulevard Royal, P.O. Box 19, R.C. Luxembourg B9462, Luxembourg-Ville, Tel.: 4 24 71, Tx.: 2257 and 2607

Eurocurrency Interest Rates

Table with columns for currency (Dollar, D-Mark, Swiss Franc, etc.), rate, and date (July 16, 1981).

European Stock Markets

Table of stock market data for Amsterdam, London, Brussels, Frankfurt, and Milan, including closing prices and indices.

Toronto Stocks

Table of Toronto stock market data, including closing prices for various stocks and indices as of July 15, 1981.

Montreal Stocks

Table of Montreal stock market data, including closing prices for various stocks and indices as of July 15, 1981.

Canadian Indexes

Table of Canadian stock market indexes, including the Montreal Stock Exchange Industrials Index and the TSE 300 Index.

Chicago Futures

Table of Chicago futures market data, including prices for wheat, soybeans, and other commodities.

International Monetary Market

Table of international monetary market data, including exchange rates for the British Pound, Canadian Dollar, and Japanese Yen.

U.S. COMMODITY PRICES

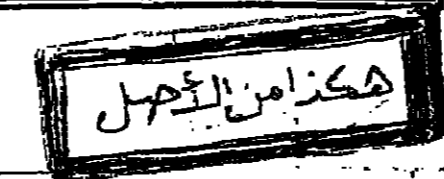
Large table of U.S. commodity prices, including various types of wheat, soybeans, cotton, and other agricultural products.

This announcement appears as a matter of record only. The Notes were offered and sold outside the United States of America.

U.S. \$150,000,000 Ford Credit Overseas Finance N.V. 16% Guaranteed Notes due July 1, 1985. Unconditionally Guaranteed as to Payment of Principal and Interest by Ford Motor Credit Company.

Goldman Sachs International Corp., Deutsche Bank Aktiengesellschaft, Swiss Bank Corporation International Limited, Union Bank of Switzerland (Securities) Limited. List of international banks and financial institutions.

Business Group In Ottawa Policy. International Herald Tribune - PARIS - Leaders of seven industrial nations meeting in Ottawa should avoid relying exclusively on monetary policy to combat inflation.



AMEX Nationwide Trading Closing Prices July 16

Tables include the nationwide prices up to the closing on Wall Street.

Table with multiple columns listing stock prices for various companies, including AMEX, NYSE, and OTC. Includes columns for High, Low, P/E, and Volume.

Selected Over-the-Counter

Table listing over-the-counter stock prices for various companies, including AMEX, NYSE, and OTC. Includes columns for High, Low, P/E, and Volume.

Floating Rate Notes

Closing prices, July 16, 1981

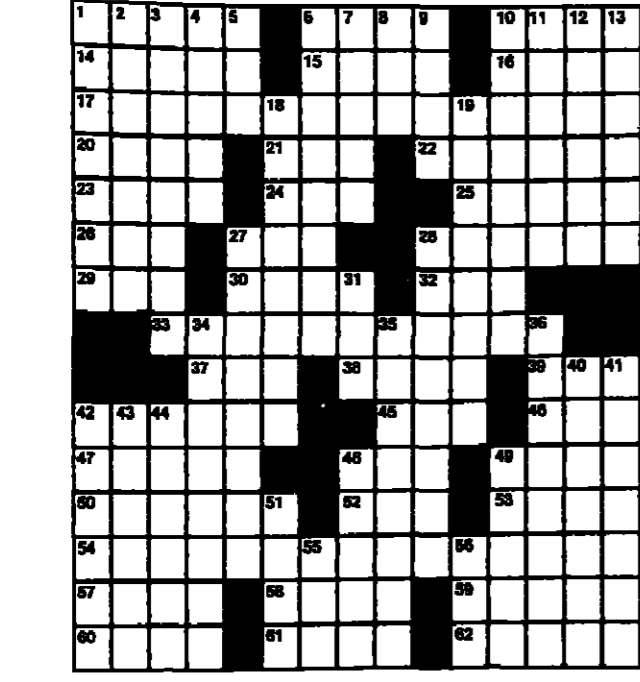
Table listing floating rate notes for various banks and non-banks, including interest rates and maturities.

CLASSIFIED ADVERTISEMENTS

Large classified advertisement section containing multiple sub-sections: Real Estate, Employment, Services, and more. Includes detailed listings for properties, job openings, and business services.

FOR A MAXIMUM RETURN ON TIME INVESTED. International Herald Tribune. We've got news for you.

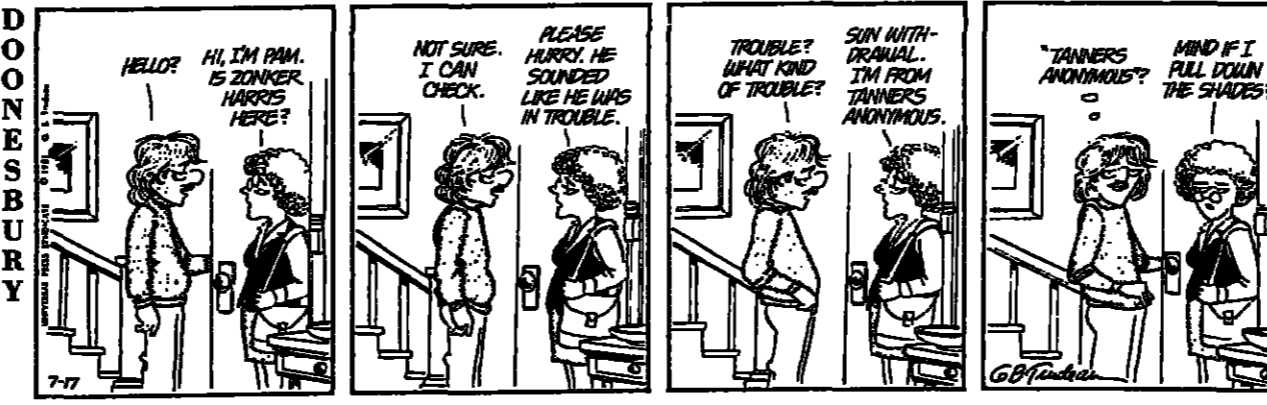
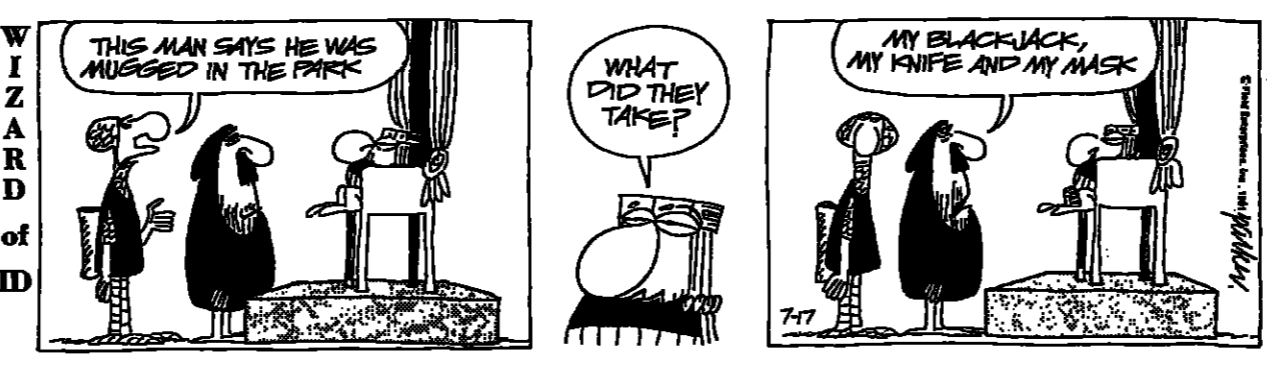
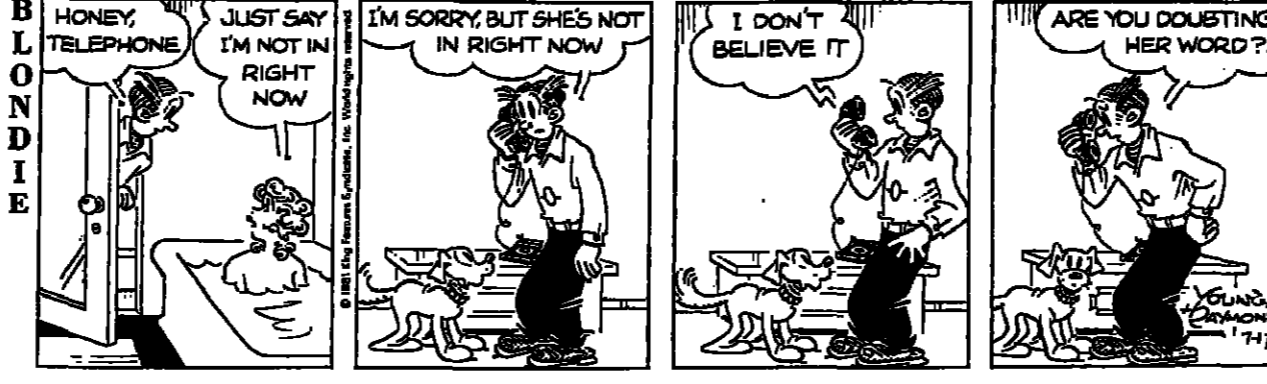
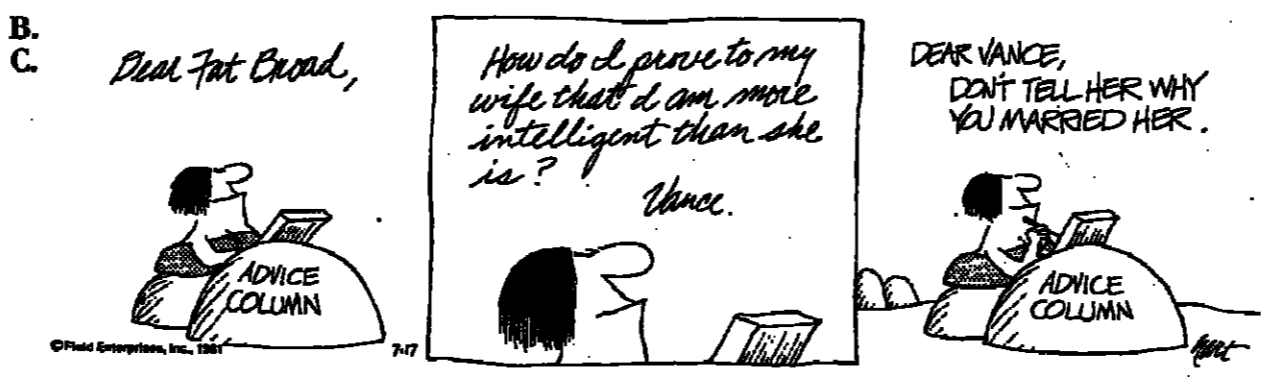
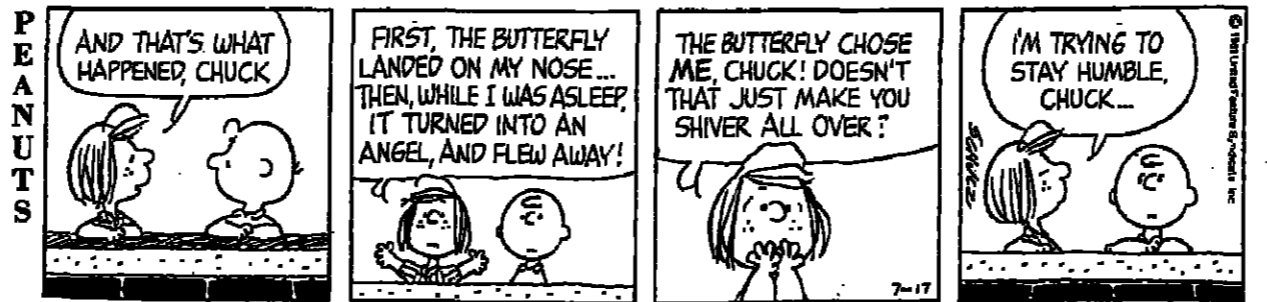
CROSSWORD By Eugene T. Maleska



- ACROSS
1 Incipient admiral, perhaps
6 Avast!
10 Persian religious leader—Ullah
14 Extend a subscription
15 What?
16 Friend of the Kingfish
17 Best film of 1954
20 Cold wind of the Adriatic
21 Forts or Harris of football
22 Roscoe of tennis
23 — Islands, off Galway
24 Zee, in Suffolk
25 Taiwan Strait island
26 Bill picturing U.S. Treasury
27 Existed
28 German patriot-philosopher: 1762-1814
29 Common Latin verb
30 Port of entry in N Spain
32 Be or end follow
33 McKenna novel, with "The"
37 Balsam or alpine
38 An Old Glory color
39 Agent: Suffix
42 Close
45 Pacto and Smith
46 Beaked warship
47 The Kaffraello, for one
48 Chem., e.g.
49 Blood condition: Suffix
50 — Doria
52 Approvals
53 Describe
54 Rachel Carson's tidal-zone report
57 Merit
58 Of the opposition
59 About
60 Photocopy
61 Bridle part, in Braemar
62 Sticky mixture
DOWN
1 Kind of court
2 Poe's "radiant maiden" et al.
3 1933 song
4 "Borstal Boy" author
5 Nanny goat's relative
6 Shocks
7 Hauled
8 Before "blast off"
9 Forward
10 Piggyback rider on a whale
11 Turgenev's — in the Country?
12 Upright
13 "... my man steel": Shak.
18 Magic
19 Bourbon of Bonapartes
27 Post Letz
28 Aesop, for one
31 Neighbor of S.D.
34 Conveying impulses to a nerve center
35 Snapper or whitefish
36 Guesses
40 Attire
41 Come forth
43 Chalk tablets
44 W.W. I helmet
48 Soiled, in a way
49 "Maria..."
51 Product of red seaweeds
55 Wind dir.
56 Luck

WEATHER

Table with columns for location, high, low, and weather conditions. Locations include ALABAMA, ALGERIA, AMSTERDAM, ANKARA, ATHENS, AUCKLAND, BANGOR, BEIRUT, BELGRADE, BERLIN, BOSTON, BRUSSELS, BUDAPEST, BUENOS AIRES, CAIRO, CASABLANCA, CHICAGO, COPENHAGEN, COSTA DEL SOL, DAMASCUS, DUBLIN, EDINBURGH, FLORENCE, FRANKFURT, GENEVA, HELSINKI, HONG KONG, HOUSTON, ISTANBUL, JERUSALEM, LA PALMAS, LIMA, LISBON, LONDON, LOS ANGELES.



JUMBLE: That scrambled word game by Henri Arnold and Bob Lee. Includes a grid of letters and a cartoon of a man with a bicycle. DENNIS THE MENACE: A cartoon of Dennis the Menace with a vacuum cleaner. 'DON'T LET THAT NOISE SCARE YOU, MOM. I'M JUST WASHIN' SOME ROCKS.'

BOOKS

PLAYED OUT The Jean Seberg Story By David Richards. 386 pp. \$13.95. Random House, 201 E. 50th St., New York 10022. Reviewed by Kenneth Turan

JEAN SEBERG was a wine sold before its time. Handpicked for celebrity before she was 18, she was a laughingstock by the time she was 20, washed up in American films by 31, thrice married by 34, a suicide at 40. She had, John Gielgud once remarked, learned to be a star before she became an actress, and it was an experience she never recovered from. Seberg's story touches so many bases of the mid-20th-century American experience that it is a temptation to see it all as a sobering lesson of the time. Surely a cautionary tale is lurking in the debris of her sad life if we could but figure out what it is especially to caution us against. Is it early success, overweening ambition, unbending innocence, unblinking commitment, or perhaps some incendiary combination of all four? David Richards, drama critic for The Washington Star, tries to answer these questions, tries to tell us how Seberg regressed from the lowly innocent Otto Preminger picked to star in "Saint Joan" in 1956 to the decaying corpse found in the back seat of a white Renault on a quiet Paris street 23 years later. Despite a lack of cooperation from Roman Gary, Jean's second and pivotal husband who recently ended up a suicide himself, Richards has done an excellent job of research and reporting, and his book is clearly definitive. Unfortunately, as heartbreaking as her story appears in outline, one cannot read it in detail without feeling that the author has made much ado about not very much at all. Throughout her life, Richards emphasizes, Seberg's impulses were a blend of the theatrical and the idealistic. She was a woman who liked to be perceived as a flawed innocent, "the tranquil blossom on the tortured stem," in the words of a favorite Edna St. Vincent Millay poem. She always seemed on the verge of doing great and good work, but men kept getting in the way. First in line was director Otto Preminger, who, in Seberg's own words, "used me like a Kleenex and threw me away." Next came French author Roman Gary, an older man who gave her a crash course in refine-

ment and savoir faire but used her as both source material and ego booster. They married, had a child, and went for a time very much in love, but the picture of Seberg literally sitting at his feet and addressing him as "dear master" is not a particularly pleasant one. Finally there was Hakim Abdullah Jamal, who comes off as a combination of Malcolm X and P.T. Barnum. He used her as a meal ticket and she in turn got the opportunity to "play the role of high emotion that had eluded her on screen." It was a role that led to a series of nervous breakdowns, excessive reliance on prescription drugs, hospitalizations and a clandestine campaign against her by the FBI, which effectively ruined what was left of her physical and mental well-being.

What this melodramatic story needs and doesn't get is a quality of dispassion. Richards is like the detective in Preminger's movie "Laura," who falls in love with a portrait of a woman. Bad words about Seberg rarely appear in this book, and when they do show up, they come as more of a shock than they should. This partisanship extends to Richards' discussion of Seberg's 37 films. Most of them were failures of one type or another. But the idea that just maybe they all flopped because Seberg, for all her good intentions, beauty and swell personality, was, in director Irwin Kershner's words, "a limited actress [who] lacked the technique for Hollywood" is not a thought Richards likes to entertain.

Hampered by this lack of distance, and by Richards' classic journalistic difficulty with synthesizing something new and whole out of a wealth of quotable quotes, the overriding problem of "Played Out" is a lack of substance. F. Scott Fitzgerald once said that the problem with American lives is that they lack final acts. Jean Seberg's life had a rouser of a last act, and not a bad first one either, but there is nothing in the center but a woman-child who never quite grew up.

Kenneth Turan, film critic and book editor for New West magazine, wrote this review for The Washington Post.

NAKED AT THE FEAST A Biography of Josephine Baker By Lynn Haney. Illustrated. 338 pp. \$17.95. Dodd, Mead & Co., 79 Madison Ave., New York 10016. Reviewed by Deborah W. Fleck

JOSEPHINE BAKER, the "Toast of Paris," owed everything to illusion. "Show business," she said, "is all illusion... all illusion." But the woman behind the illusion, behind the "sinnful idol that enslaved and incited mankind," as one critic called her — was enslaved to her own fierce ambition and volatile emotions. "She could be sobbing uncontrollably one moment then 10 minutes later be bubbling with joy," said one friend. "She was the quintessence of a star," said Jimmy Daniels, but "she was one of the great poseurs. She wasn't a great dancer and she wasn't a great singer until late in life." In a crisp, detached style, Lynn Haney chronicles the stormy life of La Baker from her days in the slums of St. Louis to her funeral in Paris at age 68. Rarely interjecting her own opinions, Haney instead quotes those who knew and worked with Josephine. Baker symbolized for many writers of the time the unrestrained joy of the Jazz Age. Picasso said "she is the Nefertiti of now," e.e. cummings described her as "a vision which opened new avenues of fear" and a "terrifying nightmare which became the most beautiful star of the Parisian stage." Even a U.S. soldier is quoted as saying "Josephine Baker is the greatest woman God ever blessed." She wanted to gather "children of different races, religions and nationalities, raising them together to show that mutual understanding between different peoples was not a utopian fantasy." She adopted 13 children, but because of heavy debts was forced to leave Les Milandes, Princess Grace of Monaco provided refuge for Josephine and her brood, and it is in Monaco, a gambler's paradise, that Josephine's body lies.

While Josephine wrote four autobiographies and other books, "Naked at the Feast" provides a concise, breezy account of what was behind the illusion.

Deborah W. Fleck wrote this review for the International Herald Tribune.

BRIDGE By Alan Truscott THE bidding on the diagrammed points suggests West has about 13 points with long clubs, and East about 6 points with long hearts. South's best play is to win the opening lead with the ace, with the king as an entry to dummy. Even without a diamond finesse, 12 tricks can be made. South can take the top diamond winners, discarding his heart loser, and then ruff a diamond, bringing down the queen. The ace and another trump settle matters. In practice, South won with the club king, intending to ruff at least one club. She followed by discarding her heart loser on diamonds and ruffed a diamond, then ruffed a club and was overruled. The contract should have been made exactly, for South had a loser in each club suit. But East played his last diamond, hoping to promote a trump trick for partner. South played loser-on-loser.

ADVERTISEMENT INTERNATIONAL FUNDS July 16, 1981. Table listing various international funds and their values. Includes sections for Alliance Intl. Funds, Bank of Montreal, British Intl. Funds, Capital International, Credit Suisse, DIT Investment Frankfurt, Fidelity, G.T. Management Ltd., Jardine Fleming, Lloyds Bank Intl., Rothchild Asset Mgmt, Sofid Groupe Geneva, Swiss Bank Corp., Union Bank Switzerland, and Union Investment Frankfurt.

Imprimé par P.I.O. - 1, Boulevard Ney, 75018 Paris

